FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Central Eurasia

FBIS-SOV-93-236
Friday
10 December 1993

Daily Report
Central Eurasia

FBIS-SOV-93-236 CONTENTS *10 December 1993*

INTERREGIONAL AFFAIRS

- ITAR-TASS Carries Press Review for 9 Dec 1
  - Press Review for 10 Dec 1

RUSSIA INTERNATIONAL AFFAIRS

- Yeltsin's Meetings With European Union Highlighted 4
  - Joint Russian-EU Political Declaration *[ITAR-TASS]* 4
  - Pact Signals Return to Europe *[ITAR-TASS]* 5
  - EU Relations 'Totally Civilized' *[Radio Rossii]* 6
  - Yeltsin Addresses EC Dinner *[ITAR-TASS]* 6
  - Yeltsin Comments on Agreement *[ITAR-TASS]* 7
  - Kozyrev Predicts Treaty Signing in 1994 *[ITAR-TASS]* 8
  - Optimism on Uranium Exports, Banking *[Moscow TV]* 8
  - Yeltsin May Reexamine Decree on Banks *[ITAR-TASS]* 8
  - More on Russian-NATO Talks *[ITAR-TASS]* 9
  - NATO, Ukraine Discussed *[ITAR-TASS]* 9
  - Grachev Comments *[ITAR-TASS]* 10
  - Yeltsin Opponents To Exploit NATO Issue *[IZVESTIYA 10 Dec]* 10
- Helsinki Watch Faults Russia's Role in Abkhazia *[NOVAYA GAZETA Nov 93]* 10
- Credit, Gas Agreement Signed With Italy *[INTERFAX]* 12
- Kortunov Writes on Situation in Ukraine *[MOSKOVSKIYE NOVOSTI 8 Dec]* 13
- Officials Concerned at Caspian Shelf Oil Project *[IZVESTIYA 9 Dec]* 13
- Shokhin Urges Expansion of Country's Arms Sales *[ROSSIYA 8-14 Dec]* 14
- Malaysian Prime Minister Pleased With MiG-29 Deal *[ITAR-TASS]* 14
- Foreign Ministry Official, Indian Counterpart Meet *[ITAR-TASS]* 15
- Spokesman Criticizes Hekmatyar on Money Issue, POWs *[ITAR-TASS]* 15
- Cooperation Treaty Protocol With Mongolia Signed *[ITAR-TASS]* 15
- Chinese Military Delegation Visits Russia's Far East *[Moscow Radio]* 16
- Delegation Offers Japan Cooperation on Nuclear Waste *[ITAR-TASS]* 16
- Government To Broaden Cooperation With Japan *[INTERFAX]* 16
- Moscow Welcomes U.S. Missile 'Detargeting' Idea *[ITAR-TASS]* 17
- More on Briefing by Commission on U.S. MIA's *[ROSSIYSKAYA GAZETA 9 Dec]* 17
- ZIL, Caterpillar in Joint Venture *[ROSSIYSKIYE VESTI 8 Dec]* 17

RUSSIA NATIONAL AFFAIRS

Election Issues

- TV Version of Yeltsin Speech Compared to TASS 18
- Yeltsin Said More Concerned About Referendum Than Elections *[Russian TV]* 18
- Filatov Interviewed on Constitution Referendum *[Moscow Radio]* 18
  - Urges Adopting New Constitution *[ROSSIYSKIYE VESTI 10 Dec]* 18
- Medvedev Certain of Constitution's Adoption *[ROSSIYSKIYE VESTI 10 Dec]* 19
- Burbulis Calls For 'Full-Fledged Parliament' *[ITAR-TASS]* 19
- Russia's Choice Urges Adopting Constitution *[ITAR-TASS]* 20
- Russia's Choice Accused of Violating Election Rules *[INTERFAX]* 20
- 'Live Dialogue' Discusses New Constitution *[Moscow TV]* 20
- Chernomyrdin on Elections, Coalition Government *[ITAR-TASS]* 22
- Television Plans Special Election Program 12 Dec *[ITAR-TASS]* 22
  - Ostankino To Give All-Night Coverage *[ITAR-TASS]* 23
- CSCE Observers Say TV, Radio Access Favors Government *[ITAR-TASS]* 23
- Officials Concerned By Danger of Low Voter Turnout *[AFP]* 23

Deputy Interior Minister Views Security for Elections *[Moscow Radio]* 24
Rutskoy, Khasbulatov, Barannikov Allowed To Vote *[Radio Rossii]* 24
Gaydar on Bloc's Military Priorities *[KRASNAYA ZVEZDA 10 Dec]* 24
    Views Economy, Future Prospects *[IZVESTIYA 8 Dec]* 27
Yavlinskiy Bloc Electoral Program Printed *[ROSSIYSKAYA GAZETA 9 Dec]* 29
    Yavlinskiy on Federal Assembly *[SEGODNYA 9 Dec]* 31
    Yavlinskiy Remarks on Army *[KRASNAYA ZVEZDA 10 Dec]* 31
Court Ruling on 'Hitler Comparison' Viewed *[ROSSIYSKIYE VESTI 9 Dec]* 32
Zhirinovskiy Comments on Economics *[INTERFAX]* 33
Civic Union Says Economic Slump Hurting Campaign *[NEZAVISIMAYA GAZETA 9 Dec]* 34
Zhuganov Criticizes Yeltsin for 'Destroying National Peace' *[Milan IL GIORNALE 8 Dec]* 34
'Federal Assembly' Election Program Broadcast *[Russian TV]* 35
9 Dec 'Election Marathon' Program Aired *[Russian TV]* 37
'Word to the Voter' Program Carries Ads *[Moscow TV]* 37

Political Issues

Commentary on Prospects for New Parliament *[ITAR-TASS]* 39
Post-Election Parliament Prospects Viewed *[KOMSOMOLSKAYA PRAVDA 9 Dec]* 39
Conflict Seen Possible in Federation Council Seat *[SEGODNYA 9 Dec]* 40
Lowest Grade Government Personnel Given Pay Raise *[ROSSIYSKIYE VESTI 9 Dec]* 41

Media Issues

PRAVDA Returns to Newsstands 10 Dec 41
Central Television To Relinquish 3 of 4 Channels *[Moscow TV]* 41
    Channels To Go 'Commercial' *[NEZAVISIMAYA GAZETA 10 Dec]* 41
Merger of FIC, Press Ministry Eyed *[NEZAVISIMAYA GAZETA 10 Dec]* 41
Poltoranin Accused of Lying *[NEZAVISIMAYA GAZETA 10 Dec]* 41

Economic Issues

Government Discusses Economic 'Demonopolization' 42
    Monopolies, Communications, Tax Issues *[Russian TV]* 42
    'Demonopolization' Plan Approved *[INTERFAX]* 42
    Further on Cabinet Decision *[ITAR-TASS]* 42
    Further on Antimonopoly Program *[ROSSIYSKIYE VESTI 10 Dec]* 43
    Details on Income Tax Changes *[IZVESTIYA 10 Dec]* 43
Energy Sector's Financial Plight Examined *[ROSSIYSKIYE VESTI 7 Dec]* 44
    Main Export Sector Could Collapse *[ROSSIYSKIYE VESTI 9 Dec]* 45
    Finance, Related Oil Problems Aired *[ROSSIYSKAYA GAZETA 9 Dec]* 45
    Budget Crisis Could End Oil Production *[INTERFAX]* 46
Gaydar Views Impact of Economic Policies *[ROSSIYSKAYA GAZETA 9 Dec]* 46
Chubays Answers Questions on Economy *[KOMSOMOLSKAYA PRAVDA 9 Dec]* 48
Land Resources Committee Official on Land Market Plans *[INTERFAX]* 51

Regional Affairs

Main Blocs in Kaliningrad Elections Profiled *[SVOBODNAYA ZONA 2 Dec]* 52
    Poll Predicts 68-Percent Turnout *[YANTARNIY KRAY 1 Dec]* 52
Shumeyko Campaigns in Kaliningrad *[SVOBODNAYA ZONA 7 Dec]* 52
Kalmykia Official Supports Constitution *[Radio Rossii]* 53
Shakhray Visits Krasnodar Kray *[ROSSIYSKAYA GAZETA 9 Dec]* 53
Democrats' Chances in Moscow, Provinces Assessed *[MOSKOVSKIY KOMSOMOLETS 9 Dec]* 53
Dudayev Warns Military of Russian 'Aggression' *[INTERFAX]* 54
Security Problems Anticipated in North Ossetia *[INTERFAX]* 54

UKRAINE

International Affairs

Foreign Minister, Envoy Cited on Nuclear Issue *[Moscow TV]* 55
Ministry Officials Rebut Kozyrev Remarks *[UNIAN]* 55
Turboatom, Toshiba To Produce Energy Works *[ITAR-TASS]* 55

National Affairs

Spokesman Denies State of Emergency 'Rumors' *[UNIAN]* 55
Kravchuk Decree Sets Up Anticorruption Group *[Russian TV]* 55
State of Emergency Reported in Crimean Town *[UNIAR]* 55
Crimean Supreme Council Session Opens *[Kiev Radio]* 56
Industrialists Congress Opens in Kiev *[Kiev TV]* 56
Rukh Leader Interviewed on Situation, Election *[Kiev Radio]* 56
Christian Democrats To Mediate Unification Plan *[VECHIRNIY KYYIV 4 Dec]* 57
Republicans Examine Electoral Strategy, Platform *[RATUSHA 4 Dec]* 58

WESTERN REGION

Belarus

Minsk Strike Committee Holds Session 60
    Decides To Resume Activities *[DOBRY VECHAR 7 Dec]* 60
    Appeals For Political Strike *[NARODNAYA GAZETA 7 Dec]* 60
Parliamentary Faction Advocates Presidential Rule *[ROSSIYSKIYE VESTI 8 Dec]* 60
Deputies Debate Constitution, Law on Political Parties *[Minsk Radio]* 61
Servicemen Association Leader Reviews Congress *[DOBRY VECHAR 6 Dec]* 61
Guard Chief Says Russia Pays for Border Maintenance *[Minsk Radio]* 62
Russia Remains Major Trade Partner *[ITAR-TASS]* 62

Moldova

Death Sentence Issued in Tiraspol Case 62
    Reporting on 'Illegal Court' Sentences *[Bucharest ROMPRES]* 62
    Snegur Considers Sentence 'Null and Void' *[Bucharest Radio]* 63
    Yeltsin Envoy Makes Appeal *[Bucharest Radio]* 63
    Druc on Sentence *[Bucharest ROMPRES]* 63
FPCD Leader Discusses Detainees' Situation *[Bucharest ROMANIA LIBERA 6 Dec]* 64
Snegur Says Moscow 'Reconsidered' View on Transdniester *[INTERFAX]* 65
Army Commanders Accused of Corruption *[ITAR-TASS]* 65
People's Front Runs Campaign Against Defense Minister *[IZVESTIYA 8 Dec]* 65
President Snegur Reviews Two Years in Office *[Bucharest Radio]* 65

CENTRAL ASIA

Kazakhstan

Supreme Soviet Cedes Power to President, Dissolves *[ITAR-TASS]* 67
Parliament Votes To Disband Local Soviets *[ITAR-TASS]* 67
    Nazarbayev Ends Soviets' Authority *[Almaty Radio]* 67
Nazarbayev Concerned Over Dual Citizenship Issues *[INTERFAX]* 67
Two Groups Demand Early Parliamentary Elections *[ITAR-TASS]* 67

Kyrgyzstan

Parliament, Government React to Seabeco Gold Scandal 68
    Issue of Confidence in Government Raised *[ITAR-TASS]* 68
    Parliament Discusses Gold Problem *[Bishkek Radio]* 68
    Vice President Submits Resignation *[ITAR-TASS]* 68

Akayev: Lack of Experience To Blame *[Radio Rossii]* 68
Chyngyshev Issues Statement on Cash Situation *[Bishkek Radio]* 69

Uzbekistan

Karimov Reviews Past Year's Economic Results *[INTERFAX]* 69
President Karimov Decrees Anniversary Amnesty *[UZBEKISTAN APN]* 69

CAUCASUS

Armenia

Azerbaijan Reportedly Planning 'Large-Scale' Action *[Yerevan Radio]* 71
Karabakh Parliament Head on Support for Peace Solution *[SNARK]* 71

Azerbaijan

Deputy Prime Minister, Finance Minister Dismissed *[Baku Radio]* 71
National Assembly Adopts Decision on Defense Law *[Baku Radio]* 71
Censorship Seen as Prelude to Martial Law *[KOMMERSANT-DAILY 9 Dec]* 71
Leader of 15 Jul Failed Rebellion Detained *[Baku Radio]* 72
France's Mitterrand Sends Note on Karabakh *[Baku International]* 72

Georgia

Shevardnadze Urges Restored Unified Power Grid *[Radio Rossii]* 72
Shevardnadze Heads Commission on Currency Resources *[SNARK]* 72
Nadareishvili: Abkhazia Violates Geneva Accord *[ITAR-TASS]* 72
Kervalishvili Addresses Parliament on Energy Crisis *[Tbilisi Radio]* 73
Sigua Says National Bank Ruining Economy *[IBERIA]* 73

BALTIC STATES

Estonia

Parliament To Debate Israeli Arms Deal *[ETA NEWS RELEASE]* 74
Delegation Returns From Baltic Anticrime Talks *[Tallinn Radio]* 74

Lithuania

Paper Publishes Part B of '94 Economic Forecast *[TIESA 19 Nov]* 74
Vilnius To Form Group To Negotiate With CIS *[Vilnius Radio]* 75
Seimas Adopts Law on Declaration of Property *[Vilnius Radio]* 75
Central Bank Reserves Estimated at $308.6 Million *[ELTA]* 76
Inflation Rate Drops to 6.8 Percent in Nov *[BNS]* 76

ITAR-TASS Carries Press Review for 9 Dec

LD0912062293 Moscow ITAR-TASS in English 0537 GMT 9 Dec 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow December 9—The TRUD newspaper singles out a report on President Boris Yeltsin's official visit to Belgium. "The present visit," the newspaper writes, "is another confirmation of the great importance attached by the Russian leadership to relations with Western countries, including Belgium, although a small country but playing a noticeable role in world politics".

Under the headline "RF-EC: A Dialogue of Equals", the KRASNAYA ZVEZDA newspaper carries a report from Brussels, expressing confidence that "questions of ensuring European security will be also discussed in detail during the Russian leader's visit".

The newspaper quotes statements by spokesmen of the Russian Defence and Foreign Ministries who said that "a system of security which would include Russia as an equal partner, would be acceptable to us. This would overcome finally the split of Europe".

The KOMSOMOLSKAYA PRAVDA newspaper describes the first day of the Russian president's visit to Belgium in a report entitled "Brussels Warmly Welcomes".

The same newspaper informs its readers of the essence of economic platforms put forth by various political parties and movements participating in the election campaign for the new Russian parliament.

Noting, for instance, that the Yavlinsky-Boldyrev-Lukin bloc intend to speed up privatisation, it warns that commercial banks, stock exchanges and other structures, including mafia-ridden organisations, will grab the state economic sector in a twinkling of an eye.

"This way to capitalism is possibly the shortest from the viewpoint of economic efficiency, but such a redistribution may lead to a civil war in real life," the newspaper continues.

In an article entitled "A Mine Is Ticking Under Parliament", KOMSOMOLSKAYA PRAVDA suggests that if the draft new Russian Constitution is not adopted, the positions of the Federal Assembly (new Russian parliament) will grow stronger. Then, it concludes, "there will be a new conflict between the two arms of government".

However, whatever may be, the newspaper continues, the president will have to change his tactics of relations with legislators. According to KOMSOMOLSKAYA PRAVDA, "Joint painstaking work with lawmakers should replace the president's distancing himself from parliament".

TRUD features an interview with Chairman of the Russian Supreme Court of Arbitration Veniamin Yakovlev who expects that the future Russian parliament will be discrete in its relations with the judiciary.

He amplifies his idea by saying that "it is possible to amend federal laws in such a way that new decisions will be even worse than the present ones". At the same time, he calls for urgent measures to improve the legal system and legal proceedings.

In an interview with KOMSOMOLSKAYA PRAVDA, Vice-Premier Anatoly Chubays said that "communists cannot win" in Russia where 50 million people are already proprietors.

The ROSSIYSKIYE VESTI newspaper outlines in details a statement on Wednesday by head of the Russian president's office Sergey Filatov at a meeting with journalists.

The meeting was devoted to the coming nation-wide referendum on the draft Russian Constitution to be held on December 12. Filatov stressed that "the unsettled constitutional question is a too burdensome load for our society".

If the turnout for the referendum is too small or the constitution is rejected, the country will be in a suspended legal position, Filatov said. "Hundreds of questions" will pop up, above all on how to establish contacts between the two arms of government and start relations between them. The new constitution will resolve all these issues, he added.

The same newspaper quotes member of the Presidential Council Andrey Zhukov as saying that the involvement of some key cabinet members in the election campaign increases difficulties in the government's activities.

"The present situation in the government when the government is split into several groups and each group is engaged in its own business, reflects the present-day developments in Russia.

"In fact, the government is a coalition cabinet, since it consists even now of representatives from various parties," Zhukov notes.

ROSSIYSKIYE VESTI also carries a poster under the heading "What the New Constitution Will Give to People", revealing its main provisions.

Press Review for 10 Dec

LD1012101593 Moscow ITAR-TASS in English 0455 GMT 10 Dec 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow, December 10 (ITAR-TASS)—Russian newspapers focus on the television address by President Boris Yeltsin to his countrymen on Thursday.

The TRUD newspaper stresses that "President Boris Yeltsin called on his countrymen to vote for the draft constitution on December 12, which is needed by society as 'a core of a united and strong state'. 'You will decide: to be or not to be for a Russia for which we voted at the presidential elections and at the April referendum. You will decide: to be or not to be for peace and quietude in Russia'."

"President Yeltsin warned in his TV address that the threat of 'new mutinies' will persist until the new constitution is approved," the SEGODNYA newspaper writes. "Russia and its state system cannot live according to a temporary scheme any more.

"This will trigger off a short circuit or fire. We have no right to risk this way any more," he said and called on voters to say 'yes' on December 12. If the draft is not approved, Russia will face "a new round of struggle and new conflicts, this time, at the Federal Assembly".

The NEZAVISIMAYA GAZETA newspaper singles out the president's words in the address that "we need a constitution if we want to preserve peace in Russia and strengthen its positions in the world community".

The press describes in detail the Russian president's visit to Brussels. Reporting that Russian President Boris Yeltsin, Chairman of the European Community Council Jean-Luc Dehaene and EC Commission President Jacques Delors signed on Thursday the joint political declaration of partnership and cooperation between Russia and the European Union, ROSSIYSKIYE VESTI stresses that, according to the document, "the sides reached an understanding on the main principles of their partnership and parameters of political, trade, economic and cultural cooperation".

The KRASNAYA ZVEZDA newspaper stresses that "indeed, the document outlines the main principles of partnership and parameters for political, trade, economic and cultural cooperation between Russia and the European Union".

The newspaper notes at the same time that it is not enough to proclaim even the best principles. They should be used as guidelines in practical work. Some analysts have an impression that not all are ready to follow them, as it is recorded in the declaration.

The Western press often mentions that the EC is not ready to open its market for Russian goods. "Indeed, there is broad space for critical remarks. However, they do not deminish the fact that a new era dawns in relations between our country and Western states," KRASNAYA ZVEZDA notes.

"Boris Yeltsin has made 'a breakthrough' at the Brussels talks by signing the declaration of partnership with the EC," SEGODNYA writes.

"Rumours about 'mutual pressure' and 'mutual concessions' are evidently empty talk: the declaration is indeed a declaration, a document binding nobody," the newspaper continues.

"Therefore, it is difficult to imagine that the EC, guided by the declaration, will lift or cut its quotas for aluminium and textile export, which are discriminatory against Russia.

"While the Russian delegation, pressed by benefactors, made specific concessions, the president promised to suspend his decree limiting the operation of foreign banks (five European banks) in Russia within the next six months. The Russian press continues to give extensive coverage to the forthcoming referendum on the draft of a new russian constitution and the election campaign for a Federal Assembly (new Russian parliament).

"We should learn to pull out of a crisis in a civilised way," claimed Aleksey Surkov, executive scretary of the control-monitoring council under the head of the president's office.

Asked about preparations for the elections to the new Russian parliament by the ROSSIYSKIYE VESTI newspaper, he noted that quite a number of former lawmakers run for the new legislature.

"I believe that the presence in the new legislative body of some former parliamentarians is a normal thing," Surkov said.

"It is unreasonable to dismiss people who have accumulated experience of parliamentary work, who know the mechanism of this work and basics of parliamentary culture and ethics. It is quite another thing when many former lawmakers whose activities eventually resulted in the tragic events in early october, are now running for the Federal Assembly," stressed Surkov.

TRUD devotes a whole page to prominent economist Grigoriy Yavlinskiy, a candidate from the election association "Yavlinsky- Boldyrev-Lukin bloc". Speaking of reforms in society and the economy, he notes that he would refer himself to the right-reformist wing.

"The state's departure from running the economy will be accompanied, and even forestalled in some spheres, by a conscious and planned reformist policy," he claims.

"To my mind, society should be not an object but a subject of reforms and an interested partner."

In turn, KRASNAYA ZVEZDA writes that "we need a parliament where a constructive attitude prevails".

Analysing the election campaign, the newspaper notes that "it is clear event now, before the elections, that the future parliament will be a multiparty legislature. Disputes, discussions and political struggle will be present there.

"But people in military uniforms and all those who are connected with the army in some way or other, wish that the future parliament would reach consensus on defence issues," the newspaper underlines.

It carries several articles where leaders of some election blocs express opinions on Russia's future, its economy and the armed forces.

Drumming up support for his Russia's Choice bloc, Vice-Premier Yegor Gaydar says that "it can be said safely that the rock-firm foundation for stabilising the national economy and pushing reforms has been laid down.

"The rouble has become a working and convertible monetary unit. We managed to arrest the industrial slump," he adds.

On the contrary, leader of the Russian Liberal Democratic party Vladimir Zhirinovskiy is sure that the country's economy is on the brink of bankrupcy, and it is necessary "to stop any aid to former Soviet republics and other countries" to restore the economy.

He also calls for stopping the conversion of the munitions industry, eradicating organised crime within several months and restoring relations between state-owned enterprises.

Gennadiy Zyuganov (Russian Communist Party) notes that it is an open secret now that the dissolution of the Warsaw Treaty pact, the collapse of the Soviet Union and the secession of the Baltics, Ukraine and Belarus resulted in the destruction of the most important strategic defence lines.

"In actual fact, even the Russian capital has become a border city inadequately protected from the military point of view," he stresses.

"We are for the peaceful development of relations between all countries. But nobody has the right to be complacent in resolving questions of the country's defence and security."

Chairman of the Russian Movement of Democratic Reforms Gavriil Popov says that "we want to become democratic opponents to the government". He adds at the same time that the movement spurns down the role of irreconcilable opposition interfering with reforms.

The PRAVDA newspaper runs an article by former chairman of the Constitutional Court Valeriy Zorkin expressing his view on the court's role in present-day Russia. "We live under the regime of autocracy, and the Constitutional Court is incompatible with such a regime." he claims.

"In actual fact, there is no Constitutional Court now. The court, as well as all Russia, is at crossroads. We shall witness soon: either autocracy will fully consolidate its grip (I do not preclude a new wave of reprisals in that case) or society will find forces to overcome authoritarianism."

TRUD features an interview with well-known scientist and human rights activist Sergey Kovalev, chairman of the Human Rights Commission which was recently established under the Russian president.

Speaking about the new commission's tasks, Kovalev notes that it will give recommendations to the president and parliament on normative acts and examine all bills under preparation. The commission will see to it that norms in new bills would not infringe on human rights.

"Our commission should be gradually transformed into a federal human rights service," he says. "The service will not have executive powers and will not give orders, demanding an abrogation of some or other decision. Its power will be a power of prestige."

The Petersburg-based newspaper NEVSKOYE VREMYA reports that Petersburg mayor Anatoliy Sobchak signed an instruction on the procedure of licencing gambling business in St. Petersburg.

This instruction legalises gambling in the city. The newspaper writes that the right of issuing licences was given to the townhall finance committee where a special division was set up.

Casinos will receive licences only after handing over at least 50 per cent of their authorised capital to the city. Such types of gambling as totalizator are prohibited for the time being.

Yeltsin's Meetings With European Union Highlighted

Joint Russian-EU Political Declaration

LD1012130393 Moscow ITAR-TASS World Service in Russian 1532 GMT 9 Dec 93

[Text] Brussels, 9 Dec. (ITAR-TASS)—Here follows the text of the joint political declaration of partnership and cooperation signed between the Russian Federation and the European Union in Brussels today.

Joint Political Declaration of Partnership and Cooperation Between the Russian Federation and the European Union

The president of the Russian Federation, the heads of state or government of the European Union [EU] member countries and the Chairman of the European Commission appraise with satisfaction their meeting in Brussels on 9 December 1993 as a starting point for the development of a new type of relations between the Russian Federation and the European Union. The European Union emphasizes its resolve to support the current policy of reforms in Russia.

The Russian Federation is on the threshold of the first free parliamentary elections and of the referendum on the new Constitution, which will make it possible for the people of Russia to make a decision on their future and on their new democratic institutions. The European Union actively supports this process and will send its observers to the elections. Further assistance to the democratically elected institutions will make them more efficient in implementing the reforms and will make it possible for Russia to join the European nations, sharing common democratic, cultural, and social values.

The parties to the Agreement on Partnership and Cooperation ("the Agreement") will step up the practical implementation of the principles of their political cooperation through joint efforts to solve global problems and to search for responses to the challenges and conflicts of a new generation. The parties view the process of deepening and expanding their mutual relations as a necessary contribution to the cause of consolidation of a new and democratic Europe and intend to facilitate political and economic progress on the Continent in every way.

The parties have reached accords concerning the main principles of their partnership and the parameters of the political, trade, economic, and cultural cooperation. They are to form the basis on which work on the Agreement can be completed as soon as possible. The parties proceed from the view that endowing their ties with a new quality is fully in the interests of the world community and is based on fundamental stipulations of the UN Charter and documents of the Conference on Security and Cooperation in Europe. The parties emphasize that observance of democratic principles and human rights determines the parties' domestic and foreign policies and constitutes a fundamental element of their partnership.

The parties are gratified to note that the Agreement establishes constant political dialogue and a system of regular consultations at various levels on the whole spectrum of political, economic, and other matters of mutual interest.

Agreement to hold a meeting twice a year, in principle, between the president of Russia, on the one hand, and the president of the Council of the European Union and the president of the European Commission, on the other, is the main instrument for attaining the goals of partnership.

The Parties are gratified to note that a dialogue at ministerial level will be effected within the framework of a Cooperation Council, created by them on the basis of the Agreement, in other cases too, including a "troyka" (three-man team) from the European Union. Contacts at parliamentary level will be effected within the framework of a Committee for Parliamentary Cooperation, instituted by the Agreement.

The parties believe it is necessary to create a qualitatively new basis for their mutual economic relations based on the principles of a market economy. This would take into consideration the peculiarities of Russia's present position as a state carrying out market transformations in the economy and the new nature of the European Union. The parties recognize that henceforth Russia is no longer a country with a state system of trade, but with a transitional period economy and that cooperation within the framework of the Agreement will help further advancement toward a market economy. They believe that the development of integration processes in Europe will benefit both the European Union and Russia, keeping in mind that the expansion of the European Union's composition would facilitate the expansion of mutual trade between the parties.

The parties note that the Agreement envisages the improvement of access to markets on the basis of the most favored nation principle defined by the GATT provisions. It also contains new important provisions connected with the liberalization of trade and the creation of more stable and predictable conditions for trade, including by way of easing quantitative restrictions, by way of including specific provisions regarding protective measures and antidumping procedures, and by way of creating conditions for fair competition. In addition to the trade measures envisaged by the Agreement, the European Union has undertaken a number of steps to open up its markets for the import of Russian goods, such as the current extension of the general system of preferences to imports from the Russian Federation. This means that from now on many Russian goods will be imported to the European Union duty-free.

The parties lay the foundation for the creation of mutually advantageous conditions for business and investment activity on each other's territories, including social guarantees for workers engaged in labor activity on each other's territories on a legal basis. The parties mutually offer favorable conditions for establishing companies and for their activities, for hiring key personnel, and for freeing the movement of current payments and capital connected with direct investments. The agreement also paves the way for a more favorable climate for trade in the broad spectrum of services, including the creation of fair, balanced, and competitive conditions, based on sound economic factors, in the market of commercial space launchings and transportation.

The parties support initiatives aimed at the development of cooperation in the spheres of culture and tourism, in the interests of a deeper mutual understanding between their peoples. The parties have agreed to develop cooperation in the sphere of preventing unlawful activities, especially cooperation that is directed toward the fight against unlawful dealing in narcotics, illegal immigration, and other infringements of the law.

The Parties express their resolve to extend their mutual cooperation in a very broad spectrum of economic spheres, such as industry, including the conversion of defense enterprises and the encouragement and protection of investments by means of creating a favorable climate for local and foreign private investment, as well as state purchases, standards and certification, science and technology, education and training, power engineering, the environment, transportation, and telecommunications. Support for activities in the sphere of cooperation will be rendered by the European Union, in particular by means of the TACIS technical aid program.

The parties reaffirm their adherance to the provisions of the Energy Charter and will continue their work toward signing a Treaty to the Energy Charter, which is due to become a new effective instrument in promoting European cooperation in this sphere.

The parties intend to work together toward the stage-by-stage implementation of a freer movement of goods, services, and capital. In this connection the Agreement provides for a discussion of the question of creating a free trade zone between the European Union and the Russian Federation. The parties view the Agreement as a manifestation of the European Union's support for Russia's intention to join GATT and their mutual interest in strengthening a multilateral system of commerce. They are thus paving the way to a stage-by-stage integration between Russia and a broader European economic space, as well as toward the advancing integration of the Russian Federation into the world economy.

The parties state their readiness to continue to develop their new relations of partnership by means of a closer political dialogue and mutual support in international organizations. These new mutual relations will increase stability, security, and prosperity for the whole of Europe. Concluded in Brussels on 9 December 1993.

[signed] President of the Russian Federation, B.N. Yeltsin

Chairman of the European Commission, J. Delors

Chairman of the Council of the European Union, L. Dehaene

Pact Signals Return to Europe

LD0912172693 Moscow ITAR-TASS World Service in Russian 1455 GMT 9 Dec 93

[By ITAR-TASS special correspondents Sergey Batyrev, Yuriy Sizov, Gennadiy Talalayev and Valeriy Shashkov]

[Text] Brussels, 9 Dec—Today is due to go down in history as a "starting-off point in the development of a new type of relations between Russia and the European Union." This appraisal is contained in a joint political declaration on partnership and cooperation between the Russian Federation and the European Union [EU] which was signed here today by President Boris Yeltsin, Jean-Luc Dehaene, Chairman of the EU Council and Prime Minister of Belgium, and Jacques Delors, Chairman of the EC Commission. The solemn ceremony of the signing took place at the EU Council headquarters.

"The European Union," this document says, "stresses its resolve to support the policy of reforms now being undertaken in Russia. The Russian Federation is at the threshold of its first free elections to parliament and a referendum on the new Constitution, which will enable the people of Russia to make a decision on their future and on new democratic institutions. The European Union actively supports this process." The implementation of the reforms, the EU believes, will enable Russia to return to the family of European nations, sharing their common democratic, cultural and social values.

The document outlines the main directions of the future political dialogue and trade, economic, scientific, and cultural cooperation between Russia and the European Union. It says "the sides have reached an agreement on the main principles of their partnership and on the parameters of political, trade, economic, and also cultural cooperation". The principles are laid in the foundation for a speedy completion of work on the Agreement on Partnership and Cooperation between Russia and the EU.

The document says under the provisions of the future agreement, from now on there will be a constant political dialogue and a system of regular consultations between Russia and the EU at different levels, inter alia—at the highest level, which will make it possible to discuss the whole range of problems of mutual interest.

Considerable attention in the joint political declaration was given to the future development of trade and economic exchanges between Russia and the EU. "The sides," the document says, "think it is necessary to set up a qualitatively new basis for their mutual economic relations based on the principles of the market economy." The development of integration processes in Europe will be beneficial for both the EU and Russia, the declaration underlines. It also states that recently the EU has undertaken a number of steps towards opening their markets for exports of Russian goods. "From now on, many Russian goods are arriving in the EU duty free," the document says.

The declaration expresses the sides' striving to develop cooperation in the widest range of spheres, including business and investment activity, conversion of defense enterprises, science and technology, education and training, power engineering, transport and telecommunications, culture, and tourism. It is stipulated that this activity will be supported by the European Union, specifically, through the TACIS technical assistance program.

The idea of creating a free trade zone between the European Union and the Russian Federation has been put forward as a long-term goal towards which the sides intend to work in the sphere of economic cooperation. The European Union, the declaration stresses, supports Russia's intention to join GATT. Interaction between Russia and the European Union, the document says, builds a road toward a stage-by-stage integration between Russia and a broader European economic space, as well as towards the Russian Federation's progressive integration into the world economy.

EU Relations 'Totally Civilized'

LD0912131493 Moscow Radio Rossii Network in Russian 1200 GMT 9 Dec 93

[Text] [Announcer] A joint declaration between the Russian Federation and the European Union and an agreement on partnership and cooperation were formally signed at the headquarters of the European Commission in Brussels today. Over to our special correspondent, Nikolay Agayants:

[Agayants] This long-awaited document was signed by Boris Yeltsin, Jean-Luc Dehaene, and Jacques Delors. I remind you that, at the invitation of the latter, our president has arrived for an official visit to Belgium. During his own visit to Moscow in November, Dehaene, who is the current chairman of the European Union and prime minister of Belgium, said that drafting of the treaty on partnership and cooperation between Russia and the European Union would definitely be concluded by the end of this year. However, it could not be signed because of numerous purely technical matters. Therefore, to demonstrate the sides' readiness, at a high political level, to conclude the treaty, it was decided to sign a declaration of intent, which sets out the key principles of the future agreement. That is what has happened in Brussels today.

Henceforth, summit meetings between the European Union and Russia will be held regularly. Consequently, our relations with the EC will assume a totally civilized nature, taking on the same form as those between the European Union and the United States, or Japan, for example. This is, of course, very important.

Yeltsin Addresses EC Dinner

LD0912190093 Moscow ITAR-TASS World Service in Russian 1740 GMT 9 Dec 93

[Text] Brussels, 9 Dec (ITAR-TASS)—President of the Russian Federation Boris Yeltsin made a speech today at the dinner given in his honor on behalf of the chairman of the EC Council, attended by the heads of state and governments of the countries of the European Union [EU]. He said:

Esteemed Mr. Chairman! Esteemed heads of state and governments of the European Union!

An event of Europe-wide import took place today. The East and the West of Europe took a big step toward one another.

For decades, if not centuries, Europe was divided not only by state borders. It was divided by invisible and visible walls of confrontation.

Now we can say that this era is bound to recede into the past. The declaration we have signed guarantees that henceforth we will not separate, but get closer.

We are realizing ever more acutely how pernicious it is to isolate oneself, how short-sighted it is to build prosperity in a state or even group of states taken individually. Sooner or later the barrier of self-alienation will be breached. And prosperity will entail very difficult problems.

Is it not for this reason that present-day Europeans are taking the tragedy of Yugoslavia so much to heart. Is it not for this reason that Europe's solidarity with the reforms which are underway in Russia and in the states of the former eastern bloc is not growing weaker.

The very concept of Europe is now taking on its true primary meaning. The right to be Europeans cannot be bestowed by anyone and cannot be taken away. We are all Europeans because we were born here and we live here. The quicker we overcome the consequences of former quarrels the better it will be for all of us, and the more benefit we will provide for our peoples and the whole of mankind.

Russia has lived as part of the European family for over 1,000 years. The fate of our state has not unfolded smoothly. There have been periods of great upsurge as well as times of troubles. Russia has lived through times of great hopes and great disappointments.

But today I wish to call your attention to just one historical moment. The present democratic Russian state was born in the victory over the Cold War. This is one of its most important results. To a certain extent this is a factor of the changeover of our world from confrontation to cooperation.

The new democratic Russia is fully determined to extirpate the remains of totalitarianism, to return to its history and national identity, to become a real partner of Western Europe.

The agreement reached today is a visible manifestation of this. Russia and the EU have chosen the path of cooperation. We are ready to develop political dialogue to resolve key international problems. We are ready to cooperate with the EU to prevent new splits in Europe, whether this be divisions into spheres of influence or divisions between rich and poor.

Together we will organize the Europe of the end of the present and the beginning of the new millennium. United by common values we will resolve the difficult contradictions of the present and foresee the problems of the future.

Now is a time for summing up, and at the same time the beginning of work with great prospects. Our intentions and the rules of cooperation have been determined. The main thing now is to carry out what has been written in documents and said in speeches.

In this context I would like to draw your attention to a range of issues which at this point are holding back our cooperation.

I find it offensive that even now some forces are attempting to set Russia aside and withdraw it from the sphere of European cooperation. I am convinced that this is not a far-sighted policy. You cannot distance the Russia factor from Europe. Just as it cannot be distanced from Asia. But it can have a different meaning, depending on various circumstances. We all have unfortunate experience of the Cold War. Europeans understand what this Russian factor meant for them then.

But perhaps even more so, a different warm face of Russia is utterly vital. And this will be the true face of Russia. The way to it lies in mutually profitable partnership and cooperation. In trade and politics, economics and culture.

The new Russia is capable of making a dignified contribution to increasing the material and intellectual capital of Europe. It is all the sadder that discriminatory restrictions still exist in our scientific and technical links and our trade with the EU. This is historical nonsense, a legacy from totalitarianism. Let us renounce this together!

We propose immediately starting work on creating a European system of transport, telecommunications and power engineering. On uniting our scientific and technical research. On educating our young people and training cadres. On protecting health and the environment, ensuring high common standards of protecting individual rights and on combatting organized crime.

In no way do we intend to build the development of the relations between Russia and the EU at the expense of other states. Russia welcomes the strengthening of cooperation between the EU and all the states of eastern Europe. We are against only one thing—setting states against each other.

Esteemed ladies and gentlemen!

In the next few days Russia is to hold a serious test as regards its democratic maturity. The elections to the Federal Assembly and the referendum on the new constitution are to be held in our country on 12 December.

This is, in fact, the first political campaign of such a scale to take place in the conditions of real political pluralism. The whole spectrum of political forces, except the most extreme, are taking part. Observers from different countries have been invited to Russia.

Progress at the election campaign shows that, in spite of well- known shortcomings, the young Russian democracy is developing and becoming stronger.

The October rebels failed to push the country off this path into the abyss of civil war. Moreover, the political and economic situation in Russia is more stable now then before the tragic events. I believe the potential of stability will increase. I think it is hardly worth mentioning how important this is for Europe and for all of us.

"Big Europe" as the first step, as "big world", as the final aim—this is that great thing for which sake Russia is holding out its hand to all Europeans. This is the hand of a reliable friend, a loyal partner and an ally. And we are sure that this hand will be accepted for the sake of the future of Europe and the world.

I am addressing the leaders of the European Union and all states which are its members with the words of gratitude. I wish your Union to grow stronger and to develop. I wish it to become the partner of Russia in its democratic process.

I am confident that we will manage to realize our high ideas—if we are worthy of spirit of great Europe, the great European civilization where the main attention is paid to a person, his rights, his freedom and his happiness. Let us spare no effort!

For our stable union, for the sake of the European peoples.

For prosperity and happiness of the citizens of the states of Europe!

Yeltsin Comments on Agreement

LD0912172793 Moscow ITAR-TASS World Service in Russian 1517 GMT 9 Dec 93

[By ITAR-TASS special correspondents Sergey Batyrev, Yuriy Sizov, Gennadiy Talalayev, Valeriy Shashkov]

[Text] Brussels, 9 Dec—"A new stage in cooperation between two major political and economic entities on our continent has opened up," between Russia and the European Union [EU]. This was stated by President Boris Yeltsin at the signing ceremony of the joint political declaration on partnership and cooperation between the Russian Federation and the EU which took place today.

He also reported in this connection that the main part of the work on the agreement on partnership and cooperation between Russia and the European Union has been completed. He called the cooperation between Russia and the EU "a substantial factor in building a united great Europe," having expressed the conviction that "this will be to the benefit of all Europeans, of all peoples on Earth."

The most valuable thing in the new agreement, B. Yeltsin stressed, is that it eliminates the main elements of discrimination against Russia, confirms the complete equality of the sides, proceeding from the main GATT principles, which form the foundation of normal trade and economic relations among the majority of countries in the world. "This is yet another manifestation of the fact that Europe is parting with the heritage of the 'Cold War', is freeing itself from the former logic of being separate, of confrontation," the Russian leader stated. "I do not doubt," he noted, "that the agreement will promote cooperation between Russia, the EU, and the United States, Japan, and other countries large and small." In the president's view, this document is "a real contribution to harmonization of the whole system of international trade and economic relations."

The important point is that the agreement covers not only commercial and economic ties but also cooperation in the political and cultural spheres, B. Yeltsin continued. "We are setting up powerful new mechanisms for cooperation in resolving major political problems in Europe and the world, and for the mutual enrichment of our cultures. As a result, European civilization is gaining new opportunities for progress."

The Russian president attached great significance to this breakthrough in relations between the Russian Federation and the EU, noting that it is sometimes "compared figuratively with the fall of another 'Berlin Wall'."

The Russian leader regards the EU initiative for this summit meeting "as yet more evidence of moral support for the changes in Russia." On the other hand, he noted, more active cooperation between the EU and Russia will create real opportunities to boost economic activity in the EU countries themselves.

B. Yeltsin disclosed that work is nearing completion on the establishment of a Russian company which will provide insurance against political risks. Its initial authorized capital will be $100 million. "The Russian Insurance Company is open for joint ventures with any interested foreign partners on a mutually advantageous basis," the president said. He invited both state- owned and private firms in the European Union to take part in this work.

"The agreement between the Russian Federation and the EU is not the culmination of our dialogue. On the contrary, it is merely the start of still more intensive, practical work to develop new forms of cooperation," Boris Yeltsin said in conclusion.

Kozyrev Predicts Treaty Signing in 1994

LD0912143093 Moscow ITAR-TASS in English 1403 GMT 9 Dec 93

[Text] Brussels, December 9 (TASS)—An agreement on partnership and cooperation between Russia and the European Union is ready and is sure to be signed early next year, Russian Foreign Minister Andrey Kozyrev told journalists today, commenting on prospects of the development of relations between Russia and the European Union.

According to Kozyrev, only some technicalities are left, including the translation of the treaty into nine working languages of the European Union. However, Kozyrev continued, there is a small problem dealing with the Russian export of nuclear materials. Only one member state of the European Union has not given its consent so far to the expansion of the export quota and to granting to Russia the same opportunities as to other countries in the sphere of nuclear exports to the European Union. Kozyrev pointed out that the problem was rather complicated, but expressed confidence that it would be resolved soon.

As for the activities of foreign banks in Russia, the partners from the European Union agreed with the Russian side on that matter, he said.

The Russian foreign minister praised the future treaty between Russia and the European Union and stressed that it would open European markets for Russian commodities and would be effective for years to come. Actually the treaty will bring the Russian industry and its exports, the movement of manpower, capital and investments to a new, higher level, of which we could not even dream some time ago. "Traffic lights have been turned from red not to yellow, but to green," Kozyrev noted.

He explained that the drawing up of the treaty took so much time, because it was necessary to combine some reasonable protectionism on the part of both sides. As for the discriminatory barriers for Russian exports, which existed in the first versions of the treaty, they, according to Kozyrev, were removed completely.

In the opinion of the Russian foreign minister, the treaty will open up to Russia not only an opportunity to become an associated member of the European Union (many countries have this status), but also to joint it as a full member in the future.

Optimism on Uranium Exports, Banking

LD0912135293 Moscow Ostankino Television First Channel Network in Russian 1225 GMT 9 Dec 93

[From the "Novosti" program]

[Text] The European Union has recognized Russia as a country with a transitional economy. This was stated by Aleksandr Shokhin, the Russian Vice-Premier. According to the premier, this fact is not a mere political gesture, but an action which will cause foreign trade to become more active and be reorganized in accordance with international principles. Aleksandr Shokhin said that the issue of exporting Russia's uranium to Europe and the issue of European banks' activities in Russia will need to be further discussed at the very top level. There are compromise wordings on these issues, which are very close to being agreed upon.

Yeltsin May Reexamine Decree on Banks

LD1012074193 Moscow ITAR-TASS World Service in Russian 1825 GMT 9 Dec 93

[ITAR-TASS special correspondent]

[Text] Brussels, 9 December—The Russian presidential decree concerning limitations on the activities of foreign banks in Russia supposes that banks that had already begun operations in the country will continue to work in accordance with the licenses issued to them. An ITAR-TASS correspondent was told this by the Russian Deputy Prime Minister Aleksandr Shokhin. In the government's view, he said, the decree does not affect two banks. They are "Credit Lyonnais" and "Dresdner Bank." As regards the other three banks that have also received licenses then, according to him, the Central Bank will have to check whether they had begun operations before the presidential decree or not. As Aleksandr Shokhin reported, Boris Yeltsin said during his meeting with the president of the EC Commission and commission members that in six months he would be ready to reexamine his decree. The president's statement was met with satisfaction by the EC representatives, the deputy prime minister added.

However, he added, it must be borne in mind that this period is also linked to the activities of parliament since the decree has to be ratified by the Federal Assembly. The form of the document will depend on the decision by parliament. But it is possible to say now that in the next few days the government has to agree on all the limitations on the activities of foreign banks in Russia so that the situation in which they operate is predictable.

During the talks with EC representatives, A. Shokhin continued, an agreement was reached not to mention nuclear goods in the Agreement on Partnership and Cooperation between Russia and the European Union. This means that the general trade regime without any export limitations applies to them. However, taking into account the importance of these goods, the sides agreed to sign a separate document on them.

He added that 11 of the 12 EC countries are ready to compromise with Russia in regard to Russian exports of nuclear materials. As is known France is "digging its heels in" not only on questions concerning nuclear goods, but also space launches and aluminum.

More on Russian-NATO Talks

LD0912150893 Moscow ITAR-TASS in English 1402 GMT 9 Dec 93

[Text] Brussels, December 9 (TASS)—NATO Secretary-General Manfred Woerner said at the meeting with Russian President Boris Yeltsin on Thursday that "Nato will make decisions, taking into account Russia's interests", Russian president's assistant Dmitriy Ryurikov who participated in the talks, told journalists later in the day.

According to Ryurikov, Woerner confirmed that "NATO regards Russia as a friendly state", and relations between them should be built on this basis.

The secretary-general noted that the admission of new members to NATO is not planned now, although this organisation will expand relations with other states which will wish to do so, Ryurikov continued. The intensity of this cooperation will be determined by interested states.

The president's aide said that Yeltsin did not preclude a chance at the talks that "a question will be raised on Russia's NATO membership at some stage in future, but this will not happen in the near future".

NATO, Ukraine Discussed

LD0912213893 Moscow ITAR-TASS World Service in Russian 1918 GMT 9 Dec 93

[By ITAR-TASS special correspondents Sergey Batyrev, Yuriy Sizov, Gennadiy Talalayev and Valeriy Shashkov]

[Text] Brussels, 9 Dec—The opinion is taking root in European political circles that peace and stability on the continent cannot be guaranteed without Russia's participation, Vyacheslav Kostikov, press secretary to the Russian Federation president said there today. Speaking at a briefing he commented on the meetings the Russian president held in Brussels today.

Speaking about the conversation between Boris Yeltsin and NATO Secretary General Manfred Woerner, the press secretary said the interlocutors' approaches with regard to the North Atlantic union were "very close." At the same time Boris Yeltsin thinks that if Europe embarks on the path of accepting eastern European countries into NATO, this will be regarded as detrimental to Russia.

For the first time during the visit, the press secretary pointed out, the question of Russia's joining NATO was raised. Moreover, during the meeting with the Russian president, Jacques Delors, chairman of the Commission of European Communities, asked him directly if Russia would like to join NATO. There is an impression, Kostikov said, that Europe would welcome such a decision. However, there should be no hurry in the matter and a whole range of geopolitical factors should be taken into consideration. Boris Yeltsin stressed that before undertaking such a step, it is necessary to analyze all the consequences.

During the conversations the European side persistently raised the issue of the nuclear status of Ukraine which shows that the whole of the European Union [EU] is concerned about this problem. The view was expressed that the ratification by the Ukrainian parliament of START-I with the well-known reservations "smacks of elements of deception." Ukraine is playing a tricky game: on the one hand it claims it is ready to hand over to Russia some of the warheads, but as Boris Yeltsin specified, these are warheads whose effectiveness is coming to an end, but at the same time Kiev does not yet want to hand over the new SS-24 type. This creates serious problems for European security. That is why the issue of the "concentrated impact" of Russia and the EU on Ukraine was raised. Europe, said V. Kostikov, does not intend to make concessions to Ukraine on its nuclear status.

The EU representatives are also concerned about the economic and sociopolitical situation in Ukraine to such an extent that questions were even asked whether a threat of a civil war exists there in connection with the economic collapse Ukraine is facing. The Russian side pointed out that the reforms in Ukraine are not working and that it is lagging behind progress in Russia.

The Russian president's interlocutors were also interested in the economic situation in Russia. Boris Yeltsin said that the rate of inflation has started to fall and it is expected that the stabilization of the economy will be achieved in 1994. The president also said, as one of the first steps in the economy after the adoption of the new constitution, it would be necessary to carry out a reform of the banking system in order to adapt it to that of the European one. In doing this, Russia should use the experience of Europe in this field, and its technical aid. Speaking about the course of privatization he said that "it is proceeding quite well." In the services' field, for example, over 60 percent of the enterprises have been privatized and in industry 50 percent of industries should be privatized by the end of this year. It is important, the president underlined, that the managers of enterprises should overcome their fear of privatization. It should also be explained to the population that the privatization of the property meets the interests of the people.

Grachev Comments

LD0912174193 Moscow ITAR-TASS World Service in Russian 1555 GMT 9 Dec 93

[By ITAR-TASS special correspondent]

[Text] Brussels, 9 Dec—Defense Minister Pavel Grachev, who is a member of the Russian delegation accompanying Boris Yeltsin to Brussels, has told Russian journalists that "the conclusion which can be drawn from what Manfred Woerner, the secretary general of NATO, said during his meeting with Russian President Boris Yeltsin today is that this organization is seeking closer cooperation with Russia."

A considerable part of the talks, the defense minister continued, was taken up with matters involving future relations between NATO and Eastern European countries. In this connection, they discussed the American initiative of "Partnership for Peace." Naturally, this envisages bilateral and multilateral contacts between NATO and other countries but, says Grachev, this does not mean that everybody who wants to will join the North Atlantic bloc.

The minister also disclosed that, during his talks with Woerner, the Russian leader demonstrated understanding for the American concept. The Russian side reiterated yet again that "it is not greatly in favor of the admission of East European states to NATO."

For his part, the secretary general said that NATO does not envisage any practical steps in the near future toward the possible admission of Eastern European states, although he did not rule out the possibility that such a question could be addressed in future.

The Russian defense minister noted that during the discussions the Russian side brought up the question of nuclear weapons in Ukraine. According to Grachev, Yeltsin stressed that the Russian side was alarmed by Ukraine's position on this question. At the moment, he said, Russia is virtually alone in tackling the problem of nuclear security for the Ukraine. Other nuclear states and NATO are refusing to take part in resolving this question. For his part, Woerner promised that "he would make the necessary efforts to invigorate this process," Grachev said.

Yeltsin Opponents To Exploit NATO Issue

PM0912171693 Moscow IZVESTIYA in Russian 10 Dec 93 First Edition p 3

[Report by Maksim Yusin: "On the Eve of the 12 December Elections, NATO Gives Yeltsin an Unpleasant Surprise"]

[Text] A few days before the elections to the Russian parliament, the NATO countries have given Boris Yeltsin an unpleasant surprise. The defense ministers of the 16 states of the North Atlantic alliance, at a conference in Brussels, adopted a statement making it clear that NATO is open for the East European countries to join, and that Moscow's objections to this step will not be taken into account.

All the indications are that the Russian president will take this news badly. It was he who, earlier, appealed insistently to the leaders of the West's leading states not to expand NATO by admitting Moscow's former Warsaw Pact allies. Yeltsin is afraid of Russia's being isolated, and had hoped that the Western capitals would heed his arguments.

At first it appeared that Yeltsin's request had had its effect. European and U.S. diplomats assured their Russian colleagues that they understand their concerns and do not want to create additional problems for the president, particularly on the eve of the elections. This week the tone changed drastically. "There is no question of the expediency of enlarging NATO. It only remains to determine when this will happen, and with whom,"—that was how German Defense Minister Volker Ruehe summed up the Brussels consultations. Pentagon chief Les Aspin spoke in similar vein: "It is necessary to prepare to extend NATO's border to the East and to admit new members to the organization."

All Moscow's arguments and appeals went unheard. Yeltsin's opponents within the country will not be slow to take advantage of this in order once again to declare that his foreign policy is ineffective. As for the president himself, he will presumably make every effort to smooth over the unpleasant effects. Especially since Yeltsin is in Brussels and has the opportunity to discuss tricky questions directly with the North Atlantic alliance leaders.

The only possible way for Russian diplomacy to save face would be for Moscow to be mentioned as a potential candidate for joining NATO, alongside Warsaw, Prague, and Budapest. This would dispel mutual suspicions and convince the Russians that they will not be left isolated in the face of a mighty military-political bloc uniting nearly the whole of Europe.

Helsinki Watch Faults Russia's Role in Abkhazia

AU1012112693 Tbilisi NOVAYA GAZETA in Russian No. 35, Nov 93 p 5

[Excerpts of letter sent to Russian President Yeltsin from Helsinki Watch, an international nongovernmental human rights organization: "To the Russian President From Helsinki Watch"]

[Text] **Helsinki Watch, an international nongovernmental organization for observing the protection of human rights, has sent a letter to Russian Federation President B.N. Yeltsin. Copies of the letter bearing the signature of Jerry Laiber [as transliterated], the organization's executive director, were also sent on 1 November of this year to UN Secretary General Butrus Butrus-Ghali, U.S. President B. Clinton, U.S. Secretary of Defense L. Aspin, J. Shalikashvili, chairman of the U.S. Joint Chiefs of Staff, Russian Foreign Minister A. Kozyrev, Russian Defense Minister P. Grachev, Yu. Vorontsov, Russia's representative to the United Nations, V. Lukin, Russia's ambassador to the United States, the U.S. ambassadors in Moldova, Tajikistan, and Afghanistan, Kent Brown, U.S. ambassador to Georgia, and several other official persons.**

In the document, an assessment is given of official and unofficial actions taken by Russia in the zones of conflict on the territory of Georgia, Moldova, Tajikistan, and Afghanistan.

We offer the readers excerpts from the introductory and concluding parts of the letter and also the section devoted to Georgia (the latter is published in full).

Helsinki Watch has documented facts pertaining to the service of mercenaries from Russia in paramilitary formations and their attacks on civilian installations in Abkhazia; at the same time, they used money "laundered" through the Dniester Republic of Moldova (DRM). In these conflicts, paramilitary formations used Russian arms and heavy weapons against civilians. We have proof that individual representatives of the Russian Armed Forces sold, exchanged, and, in certain cases, handed over to the fighters weapons of destruction.

In spite of evidence to the contrary, the Russian Government, in the majority of cases, has denied the involvement of Russian troops in violations of international humanitarian law in the near abroad. In a number of cases, Moscow has recognized that certain individual servicemen permitted aggressive actions in violation of orders from the central command; in other cases, the government has justified such actions with reference to self-defense, the protection of the Russian-speaking population, and upholding the right to self- determination. However, under no circumstances, can any one of these reasons serve to justify violations of laws governing the conduct of war.

We deem it necessary to point out the following:

Abkhazia, Georgia

In July-August 1993, a joint mission made up of Helsinki Watch and the Project on Armaments—also a subdivision of Human Rights Watch—worked in Georgia, investigating violations of laws governing the conduct of war in connection with the conflict that continued throughout the year in Abkhazia. We also analyzed the nature and sources of armaments being used by the various participants in the conflict. In the near future, we will publish a report on the results of the work of the joint mission.

Russia supports the territorial integrity of the Republic of Georgia. In February 1993, an agreement was reached by both sides that Russian troops could remain in Georgia until 1995 while Russian border troops would continue to protect the Georgian-Turkish border until the end of 1994. Negotiations are continuing on determining, on a permanent basis, the status of the five Russian military bases on Georgian territory: in Akhalkalaki, Batumi, Gudauta, Poti, and Tbilisi. Russian peacekeeping forces were deployed in Georgia in September 1992 in accordance with a joint directive from the heads of both states. At present, the number of [Russian] troops in Georgia is estimated at 20,000. In spite of E. Shevardnadze's affirmation that "in practice, we are dealing with a Russian- Georgian conflict," Russia is continuing to deny its involvement.

We point out the following:

While asserting the neutrality of Russian troops in this conflict, President B. Yeltsin stated to Russian deputies: "We will not remove our (military) force (from Abkhazia) because it is necessary to take control of the railroad on the territory of Abkhazia running from the Russian-Abkhazian to the Abkhazian- Georgian border."

It is highly improbable that the Abkhazians, who number approximately 100,000, could maintain their military superiority over the Georgian forces, drawn from an ethnic population of 4 million, over a long period without military assistance from Russia. As one scholar has noted: "With the greatest respect for the scattered fighters in ... Abkhazia, who, it is wholly possible, are the best trained and most battle-hardened and motivated troops on the territory of the former USSR, there are things that go beyond the bounds of common sense."

The Abkhazian side attempted to seize Sukhumi from the sea in March 1993. The Abkhazian Government has no naval vessels and it is logical to suppose that it could only have obtained them from the Russian Naval Forces. In spite of the lack of proof concerning the existence of orders from the Russian leadership, it is clear that the repeated supply of vessels, manpower, and weapons would have been impossible without the participation of the [Russian] leadership in this in one form or another.

The Ukrainian authorities lodged a protest with the Russian side when the latter sent nine fighting ships under the command of Admiral Igor Kasatonov to Sukhumi that, at that time, was under the control of Georgian forces. Ukraine expressed its concern in connection with the use of vessels belonging to the Black Sea Fleet with Ukrainian crews "for unclear purposes in the region of the Georgian-Abkhazian conflict on orders from Moscow." The Russian side maintains that the vessels were sent to evacuate refugees from the port of Sukhumi.

Su-25 fighter-bombers repeatedly attacked Sukhumi, which was being held by Georgian forces; according to reports, they flew over Black Sea regions under Russian air defense. The lack of response from Moscow to these violations presupposes the involvement of the high command.

Russian Defense Minister P. Grachev admitted that Russian planes had attacked Sukhumi in February 1993, justifying this by saying that it had been necessary to launch a retaliatory strike following the attack by Georgian forces on the Russian Ministry of Defense research center in Eshera that had been frequently accused of rendering hidden support to the Abkhazian side.

UN military observers confirm reports from the Georgian side that the pilot of the Su-27 intercepted by Georgian fighter aircraft on 19 March 1993 was a major in the Russian Air Force; Russia subsequently confirmed this, stating that the purpose of the flight had been to protect Russian installations. This fact raises serious doubts about the already highly unlikely claims made by the Russian military command that the Georgian side used five Su-25 aircraft with Russian identification marks in order to launch strikes against its own troops.

Four mercenaries, who were trained in Moscow and who said that they had served on the Abkhazian side, told Helsinki Watch-Project on Armaments representatives in Gagra that they were paid from the DRM budget that, in its turn, is almost wholly financed by Russia.

A Russian arms dealer, captured during fighting in Sukhumi, spoke of "the direct participation of Russian soldiers in combat actions, including missile launcher operators who are shooting down planes, and so forth." He also mentioned the free transfer of weapons to the Abkhazian side by the Pskov airborne division.

Boris Pastukhov, Russian deputy minister of foreign affairs and President Yeltsin's special representative in the conflict zone in Georgia, stated in an address to the Georgian Government: "We will not allow you to win the war against Abkhazia."

If, indeed, as you have stated, "Russia is genuinely interested in putting an end to the conflicts on the territory of the former Soviet Union," we call upon you to take specific urgent measures in order to reduce the scale of the gross violations of human rights that are caused or are being aggravated by the irresponsible and, in a number of cases, criminal actions of certain representatives of the Russian military:

—To ensure strict discipline at all levels of military command in the Russian Federation Armed Forces in the interests of observing the norms of international humanitarian law;

—To condemn wholeheartedly and publicly the violations perpetrated by Russian forces or their individual representatives;

—To bring [illegible] and, following a proper investigation, to punish with the full force of the law and in complete accordance with international procedural standards Russian servicemen who have violated the laws governing the conduct of war or who are arming, training, or helping by other means paramilitary formations that are permitting the violation of human rights;

—To accede in the near future to the UN Convention Against the Recruitment, Use, Financing, and Training of Mercenaries of 4 December 1989 and energetically observe its provisions;

—To clarify and publish on a large scale the concept of Russian "strategic interests" in the near abroad.

I thank you for giving attention to the urgent questions raised in this letter. I hope to receive your views and to work with you in the interests of improving the present situation./

Credit, Gas Agreement Signed With Italy

LD0912212493 Moscow INTERFAX in English 1744 GMT 9 Dec 93

[Text] On December 6 in Rome, Russia and Italy signed a financial document amounting to $1 Bn "which opens the way to sizeable deliveries of Russian gas to Italy," spokesman of the Russian Foreign Ministry Grigoriy Karasin declared at a briefing on Thursday in Moscow. Currently Russia delivers about 15.3 Bn cubic meters of gas to Italy annually.

The implementation of this project will positively affect development of the whole spectrum of the Russian-Italian trade-economic relations. Italy will become Russia's major partner on natural gas import, said Karasin.

Well informed sources representing Russia's gas industry told Interfax that the agreement had been signed by the Italian energy corporation ENI, a consortium of the largest Italian financial institutes headed by Credito Italiano, and representatives of the leadership of the Russian joint stock company Gasprom.

The sources reported that this agreement was of a general nature and contained major principles and provisions to allocate the credits (according to Interfax, it totals $1.66 Bn). The credit agreement, which has been concluded under export guarantees of the Italian state institute Sace, which deals with credit insurance, is "to be revised and made more specific." In particular, the number of consortium members of Italian banks is expected to be further expanded.

Russian sources expressed hope that the signing of this document "will make the World Bank remove several restrictions regarding issue of bank credits which have been introduced with respect to Russia."

According to Interfax, earlier Russia and Italy have already concluded several agreements to implement this project, including a memorandum on the increase of annual deliveries of Russian gas by 5.5 Bn cubic meters until 2007, a contract to deliver equipment to reconstruct existing gas pipelines and increase gas extraction at the expense of gas-saving technologies as well.

More than 400 Italian firms are to participate in the implementation of this project. Italy is to deliver about 300,000 tons of large diameter pipes and more than ten modern compressor stations to Russia. For the first time they will use turbines developed for SU-27 fighters in Russia.

Kortunov Writes on Situation in Ukraine

MK0912113093 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 50, 8 Dec 93 (signed to press 7 Dec) p A7

[Article by Andrey Kortunov, department head at the Institute for the Study of the U.S.A. and Canada, in the "Three Authors" page: "Why Hit a Man When He Is Down?"]

[Text] Many of those who two years ago were so pained at the news of Ukraine's independence must be gloating today. Now you have done it, brother Khokhols [contemptuous term for Ukrainians]. You have been asking for it. Have you had your fill of independence? Did not we warn you?: "Kiev cannot afford separation from Moscow, you cannot do without Russia."

There are indeed ample grounds for gloating. Ukraine's economy is in such a shape as to make Russia look prosperous. Compared to the Ukrainian karbovanets, the Russian ruble looks something like the U.S. dollar or the German mark. The executive and legislative branches in Kiev are at loggerheads, mutually discrediting and undermining themselves while reforms are virtually at a standstill. On the international scene, the awkward attempts to sell its nuclear potential at a higher price led to lost prestige and Kiev's isolation from the West.

The situation that has taken shape cannot but generate many temptations in Russia's leaders. Especially in the wake of all the troubles and embarrassment Russia suffered at Ukraine's hands in the recent two years. Why not, for example, put an economic squeeze on Kiev by switching to world prices in mutual trade? Why not try and take in hand as many Ukrainian enterprises as possible and the Black Sea as well? Or why not try to create an anti-Ukrainian coalition with NATO countries that are also worried at Kiev's nuclear ambitions? Stronger pressure on the weak partner-rival promises easy diplomatic victories of special value for the government party during the current election campaign.

I would like, however, to recall for the benefit of Moscow leaders the old adage: Do not hit a man when he is down. This is not only a matter of ethics even if ethics far from takes a back seat in international affairs. This is also a matter of political expediency, a matter of Russia's own interests.

One does not have to be exceptionally shrewd to predict that an economic and political collapse in Ukraine, and even more so, disintegration of the Ukrainian state, would have disastrous consequences for Russia. The breaking of age-long economic ties, the streams of millions of refugees, disasters at nuclear installations, uncontrolled armed formations coalescing from fragments of Ukraine's army are only some of the obvious threats to Russia if the Ukrainian crisis deepens further. It is also apparent that this deepening crisis primarily affects the position of its eastern regions where the Russian and Russian-speaking population prevails.

Could these possible troubles be outweighed by a "reunification" of Ukraine with Russia? I think that even if this prospect were realistic, it would not accord with Russian interests. At least in the predictable future. Independence has proven to be a costly experience, while Moscow would have to pay now even a higher price for "reunification." Imagine that added to the most acute problems of our Vorkuta would be the no less acute problems of Donbass, while the reconstruction of the obsolete Urals metallurgy should proceed simultaneously with the reconstruction of an obsolete metallurgy of Ukraine, and our defense industry conversion should proceed parallel with the conversion of the Ukrainian military-industrial complex. Such an additional burden simply cannot be shouldered by the Russian economy. It would quite possibly ruin our reforms and the nascent Russian democracy.

One should not, of course, overestimate the impact of Russian politics on the state of things in Ukraine. Kiev's economic problems primarily result from its economic policy, or more correctly, from its unwillingness to elaborate and implement such a policy. Ukraine's international isolation is the consequence of an inconsistent and hardly predictable line in nuclear affairs.

But to try and cash in on these errors and miscalculations to gain short-term advantages is in the least a manifestation of political myopia. Today the foundations of new Russian-Ukrainian relations are being laid, precedents and standards are being created for many years ahead. Interaction between Russia and Ukraine means not only pointing out mutual hurts and claims between Yeltsin and Kravchuk, Grachev and Morozov, Kozyrev and Zlenko. It also means thousands of economic, cultural, and family strands that link the two fraternal peoples. And if we wish the adjective "fraternal" in this word combination voiced with no ironic smile, we should not yield to the temptation to cash in on Ukraine's current weakness.

Officials Concerned at Caspian Shelf Oil Project

PM1012115393 Moscow IZVESTIYA in Russian 9 Dec 93 First Edition p 3

[Boris Vinogradov report: "Kazakhstan Develops Caspian Shelf, Russia Feels Left Out"]

[Text] Almaty has announced the creation of a major oil consortium of seven foreign firms and the Kazakh "Kaspiyshelf" company. In terms of the volume of capital, technical equipment, and extraction plans, it has no counterpart in the Caspian basin. In three to four years' time, when the first survey is concluded, the industrial development of the continental shelf in the northeast of the Caspian will begin.

Blessing the "magnificent seven" in the expectation of labor achievements, President Nursultan Nazarbayev assured the contractors that their contributions would not go to waste, and that good dividends are guaranteed by the political and social stability in Kazakhstan. The leaders of the firms—AGIP (Italy), British Gas (Britain), the joint British Petroleum and Statoil (Norway) concern, Mobil Oil (United States), Shell (Holland) and Total (France)—are investing over $500 million in the project.

Under the terms of the Almaty agreements, the "seven-member concern" will be dissolved by 1997 and then, on the basis of an auction, the firms which will be involved in extraction work will be determined. The present members of the consortium will be given preferential terms to take control of oil-bearing sectors in the sea. Kazakhstan reserves the right to a monopoly of all the geophysical information.

To what extent does this whole deal meet international legal norms? The borders of five states—Russia, Kazakhstan, Turkmenistan, Iran, and Azerbaijan—form the coastline of the landlocked Caspian Sea. The Caspian basin, home to 90 percent of all the sturgeon on the planet, is considered to be a protected zone. The borders of the continental shelves have not been determined, nor have joint principles for its development been elaborated.

At present, we were told at the Russian Foreign Ministry's legal department, treaties concluded between Russia and Persia, and also between the USSR and Iran, in accordance with which the border and the navigation and fishing regimes are determined, are still in force. There are no other documents. The CIS countries, which have divided up all the former Union's property, have either forgotten or else have not yet gotten around to dealing with the Caspian.

The Russian Foreign Ministry has so far not reacted at all to the prevailing situation, but the leaderships of the Ministry of Fuel and Energy and the "Rosneft" state enterprise are concerned that Kazakhstan is disposing of the shelf without prior arrangement, without notification, and without any invitation to participate in an environmental impact study. Meanwhile, Edmar Dergunov, chief geologist at the department for marine deposits, has pointed out, Russia has all the requisite equipment for this, as well as exploration vessels and trained cadres.

Shokhin Urges Expansion of Country's Arms Sales

MK0812123093 Moscow ROSSIYA in Russian No. 50, 8-14 Dec 93 pp 1, 7 (signed to press 7 Dec)

[Interview with Deputy Prime Minister Aleksandr Shokhin by Vladimir Ostrovskiy under the general headline "Freely Convertible Armored Personnel Carrier"; place and date not given]

[Text] We asked Aleksandr Shokhin, Russian deputy prime minister, to comment on his trip to the United Arab Emirates.

[Shokhin] Our talks in Abu Dhabi confirmed that many states of this region, including the UAE, see Russia as a guarantor of stability and security in the area. This function, and this is a view shared by the Arabs and ourselves, should be propped up by Russia's economic presence there.

[Ostrovskiy] How does Russia expect to play the role of a guarantor of stability in the region?

[Shokhin] Our state is ready to ensure this role by political and economic methods. In the near future it will resume our naval presence there. There is a strong conviction in our government that Russia's objective is not to arm all these countries indiscriminately, but to prevent the emergence of even local conflicts there. We favor the maintenance of a certain military-technical balance in the region.

Nor should we forget the fact that military deliveries to a number of the region's regimes should be considered on a case-by-case basis so as not to alter the balance of forces in the area, nor to wreck global stability.

[Ostrovskiy] Currently, there is much talk about the need to resuscitate Russia's arms trade...

[Shokhin] Russia has arms that are not inferior, and in some cases even superior, to the best Western models. They include the state-of-the-art BMP-3 armored personnel carrier (the UAE has bought a consignment of these vehicles); T-80U tanks; S-300 PMU VI air-defense missile systems; Su-35, a new fighter plane, whose performance characteristics are second to none, including those of the "Mirage" and the U.S.-made F-18. As of today, this is the best plane in the world. But in order to "push it through" into the world arms market, where we have temporarily lost our former positions, the president and the prime minister have to lobby for this equipment each time they hold talks.

Let me reiterate that currently Russian companies that sell arms are undergoing restructuring. Their objective is to simplify this process for foreign customers as much as possible. Potential opportunities for cooperation, say with the UAE, in this and other areas give us the hope of billion-dollar annual turnovers, but before that we will have to bring our trade and economic ties with them in line with civilized practice.

At present, constituent documents are being drawn up for a new company—"Rosvooruzheniye" ["Russian Armament"]—a company that will sell our arms on the international market. The post of the company's head is equivalent to that of a minister. The question of how other companies engaged in this business should be treated is yet to be resolved. At any rate, Russia will have to recover the positions it has lost on the world arms market, including the Middle East.

Malaysian Prime Minister Pleased With MiG-29 Deal

LD0912124493 Moscow ITAR-TASS World Service in Russian 0734 GMT 9 Dec 93

[By ITAR-TASS special correspondents Irina Bolshova and Aleksandr Bokhonenko]

[Text] Langkawi (Malaysia), 9 Dec—"The demonstration flights by four MIG-29s showed the excellent flight qualities of the machine and I believe we have made no mistake in choosing this aircraft for our air force." Malaysian Prime Minister Mahathir Mohamad said this in an interview with the ITAR-TASS correspondents when visiting the LIMA-93 international exhibition of weapons and military equipment here.

"The government has officially decided to purchase 18 fighters," the head of the Malaysian Government went on. "It is true that the contract has not yet been signed, because the technical experts of both countries have to discuss specific aspects relating to the conditions of the deal. However, I an sure that it will be signed in the very near future. If we had greater resources we would be buying more of these fighters from Russia."

In all, Mahathir Mohamad noted, relations between Malaysia and the Russian Federation are developing successfully. "We have no differences at all," he stressed. "We would like to expand our ties with Russia further, particularly in the economy and commerce."

The Malaysian prime minister today received Ivan Materov, first deputy minister for foreign economic ties [as received] of the Russian Federation, and Petr Deynekin, commander in chief of the Russian Air Force, who have come to Langkawi Island at the head of the Russian delegation taking part in the exhibition.

There are 378 companies from 24 countries showing their products here. Russia is representated by 50 enterprises which have brought 90 samples and models of modern military equipment to Malaysia.

Foreign Ministry Official, Indian Counterpart Meet

LD0912200693 Moscow ITAR-TASS in English 1717 GMT 9 Dec 93

[By ITAR-TASS diplomatic correspondent Georgiy Shmelyov]

[Text] Moscow December 9 TASS—Working consultations between Nikolay Solovyov, director of the Russian Foreign Ministry department for the Asian-Pacific region, and Shivshankar Menon, head of the Indian Foreign Ministry department for North-Eastern Asia, are being held at the Russian Foreign Ministry in Moscow. This time the heads of the departments discuss the situation in the Asian-Pacific region.

According to the regulations adopted by both sides, the whole spectrum of bilateral relations between Russia and India is to be discussed at the level of deputies foreign ministers no less seldom than once a year. But separate specific issues may be discussed additionally, by a mutual agreement, at the level of either deputies foreign ministers or heads of the appropriate departments.

The talks between Nikolay Solovyov and Shivshankar Menon who arrived in the Russian capital today, will continue on Friday.

Spokesman Criticizes Hekmatyar on Money Issue, POWs

LD0912150593 Moscow ITAR-TASS in English 1410 GMT 9 Dec 93

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow December 9 TASS—Russia printed money for Afghanistan on a contract basis at the request of the Afghan authorities, including the Afghan president, Russian Foreign Ministry spokesman Grigoriy Karasin told a news briefing in Moscow on Thursday.

The announcement followed a statement by Afghan Prime Minister Golboddin Hekmatyar and his representatives which brings up the issue.

Karasin stressed that the contract had been concluded between respective Russian organisations and the National Bank of Afghanistan. At present "there are no agreements to this effect between the Afghan and Russian sides," he added.

It is obvious that "political speculations around this topic were aroused by some Afghan leaders in order to shirk responsibility for the critical situation in the country. Additionally, they are using their far-fetched accusations against Russia in order to justify their unwillingness to observe generally-recognised norms of international law and fulfil U.N. decisions calling for the soonest possible release from captivity of former Soviet soldiers," Karasin said. The majority of them are being held by fighters of the Islamic Party of Afghanistan led by Hekmatyar.

"The Russian side denounces the political games around the fate of the hostages and demands full and unconditional release of former Soviet soldiers held up by Afghan groupings," the spokesman said.

Cooperation Treaty Protocol With Mongolia Signed

LD1012001393 Moscow ITAR-TASS World Service in Russian 1145 GMT 9 Dec 93

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar, 9 Dec (ITAR-TASS)—The treaty on friendly relations and cooperation between Mongolia and Russia has opened a qualitatively new stage in their bilateral relations which are based on the principles of full equality and mutual benefit. It does not have the suprastate ideological postulates which existed in the documents of past years, said Mongolia's Foreign Affairs Minister Tserenpiliyn Gombosuren in an interview with an ITAR-TASS correspondent. The minister took part in the ceremony in the Mongolian capital today to sign the protocol on the exchange of documents ratifying the above mentioned Treaty which was concluded in Moscow in January 1993.

I am far from the opinion, the Mongolian foreign minister pointed out, that our long-standing relations in the past should be painted in one color. They contain both good and bad. Propaganda and ideology frequently prevailed in the treaties and over the concrete issues of cooperation, over the interests of each of the sides, and priority was given to community feeling, so to speak. The present Russian-Mongolian treaty has a fundamentally new spirit, the minister underscored. It includes all that was of value and that was accumulated over many years and includes and consolidates the principles of coexistence and interaction in all spheres of human activities, which should exist between good neighbors, and benefits each of them. We regard the new treaty as being like a codex for our relationship, geared to the future, Ts. Gombosuren said.

Since the signing of the treaty by the presidents of the two states, the treaty has been alive and in operation, the minister pointed out. The volume of trade and economic cooperation with Mongolia in which Russia predominates, is reviving and expanding. Two agreements on military cooperation and animal husbandry have been signed and are in operation. Documents on cooperation in culture, science and technology, on the lifting of double taxation in mutual trade, and a number of other documents have also been drawn up and agreed.

One should not deny the fact, the minister said, that there exist interruptions in the exchange of goods and mutual supplies. Yet they are for the most part due to objective reasons, to the difficulties of the transition period to a market economy in both countries, and are surmountable. Our mutual desire to deepen all- round cooperation guarantees this, the head of Mongolia's foreign political department said in conclusion.

Choijilsurengiyn Purevdorj, deputy prime minister and chairman of the Mongolian side of the Mongolian-Russian intergovernmental commission for trade, economic, scientific and technological cooperation, was present at the signing of the protocol.

Chinese Military Delegation Visits Russia's Far East

LD0912221893 Moscow Mayak Radio Network in Russian 1930 GMT 9 Dec 93

[Text] According to a report from the press center of the Far Eastern Military District, a delegation of members of the Chinese armed forces is visiting our Far Eastern servicemen. The delegation is made up of servicemen of China's Shenyang Military District. The guests visited the district training center where they attended a company's tactical exercise.

The program for the delegation's stay also includes visits to military schools and Suvorov academies and to a number of military units of the Far Eastern Military District.

Delegation Offers Japan Cooperation on Nuclear Waste

LD0912224493 Moscow ITAR-TASS in English 2122 GMT 9 Dec 93

[By ITAR-TASS correspondent Andrey Varlamov]

[Text] Tokyo December 10 TASS—Russia offered Japan cooperation in liquidating radioactive waste of the Pacific Fleet and in building a storage for fissile nuclear materials released as a result of disarmament. Documents to this effect were submitted on Thursday to the Japanese Government during two-day consultations in Tokyo. The Russian side was represented at the consultations by a delegation led by academician Nikolay Laverov, vice-president of the Russian Academy of Sciences.

When discussing possible disposal of liquid low-active waste produced by nuclear-powered submarines of the Pacific Fleet, the Russian delegation, which included representatives of the Navy, suggested calculating how much it will cost to stop dumping these wastes into the world ocean and to build facilities for their complete recycling. Another proposal provides for the construction not far from the Siberian city of Tomsk of a storage for uranium and plutonium released in the process of dismantling nuclear warheads.

Commenting on the Russian projects in an interview with TASS, Nikolay Yegorov, a member of the delegation and Russian deputy minister for nuclear power engineering, stressed that in this manner the Russian side displayed an initiative to promote implementation of the agreements reached, specifically, during Russian President Boris Yeltsin's visit to Tokyo this October. Yegorov noted that Japan's participation in both projects would not cost it more than 6 mln dollars out of the 100 mln dollars of the earlier announced financial assistance to the former Soviet Union's nuclear disarmament. In any case, Moscow is ready to shoulder the lion's share of expenses.

The Japanese side, represented at the meeting by experts of the Foreign Ministry, scientific and technical department and the Ministry for Foreign Trade and Industry, showed a great interest not only in Russia's proposals, but in the very possibility of exchange of opinions between nuclear specialists. An official of the scientific and technical department gave a positive assessment to the consultations and stressed that Japan favoured this initiative and was ready to go ahead with it.

Government To Broaden Cooperation With Japan

LD0812190193 Moscow INTERFAX in English 1553 GMT 8 Dec 93

[By diplomatic correspondents Dmitriy Voskoboynikov, Igor Porshnev, Vitaliy Trubetskoy and others; from the "Diplomatic Panorama" feature]

[Text] Russia is ready to broaden all-round contacts with Japan, Deputy Foreign Minister Boris Kolokolov told Interfax. Not long ago, Kolokolov returned from Japan where he held consultations with the Japanese Foreign Ministry.

He said that the consultations dealt with problems of the Middle East and Africa. "Japan is demonstrating great interest in tackling the problems connected with these regions," he said.

According to Kolokolov, coordination of Russian and Japanese efforts was discussed. "Japan is planning to finance various international programs, including those dealing with the Middle East settlement. As for Russia, we are ready to offer our own experts who might participate in the implementation of these programs," he said. "We might also cooperate in Africa, namely in Mozambique, where a Japanese contingent is located and where Russia has acquired a great deal of experience," he added.

Kolokolov announced that he had held discussions with the Japanese Foreign Ministry's Department for Europe and Oceania, which focused on the situation in Europe and on Russian-Japanese relations. The territorial issue was not discussed, he said.

"Tokyo is concerned about Ukraine's position on nuclear weapons," he went on to say, and added that "it fears that Ukraine's plans to own nuclear weapons might undermine the principles of nonproliferation of nuclear weapons."

Preparations for the Sixth Far Eastern meeting between representatives of Hokkaido and the regions, territories and republics of Russia's Far East and Siberia were another part of Kolokolov's visit.

The Fifth Far Eastern meeting was held in 1992 in Irkutsk. "The sixth will be held in Sapporo in September 1994, and will be attended by up to 200 representatives of Russia's 15 regions and central executive organs of power," Kolokolov said.

Moscow Welcomes U.S. Missile 'Detargeting' Idea

LD0912133893 Moscow ITAR-TASS in English 1322 GMT 9 Dec 93

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow December 9 TASS—The idea of detargeting U.S. missiles from objects in Russia recently voiced by President Bill Clinton "deserves attention and can be implemented in principle," a spokesman of the Russian Foreign Ministry told a briefing on Thursday.

"Its implementation will allow countries to feel more secured," Grigoriy Karasin said.

He quoted sources in the Russian Defence Ministry as saying that preliminary consultations had been held with the United States on the issue.

"Detailed work both in political and technical aspects" will be necessary to finally solve the issue, he stressed.

More on Briefing by Commission on U.S. MIA's

PM1012112593 Moscow ROSSIYSKAYA GAZETA in Russian 9 Dec 93 First Edition p 1

[Ruslan Ignatyev report: "Mystery of Air Disaster"]

[Text] Yesterday the press service of the Council of Ministers-Government of the Russian Federation was the venue for a press conference given by the Russian-American joint commission to investigate the fate of U.S. citizens and POW's reported missing on the territory of the former USSR during and after World War II.

Dmitriy Volkogonov, adviser to the Russian president on defense and security questions; Rudolf Pikhoya, leader of Russia's State Archive Service; and the U.S. president's special envoy Toon took part in the press conference. The commission's report showed that it has managed to resolve a number of contentious questions raised by the Americans. In particular, the commission came to the conclusion that there is no direct evidence that U.S. POWs were transferred to the territory of the former Soviet Union during the Korean war. All the relevant information requires further investigation.

The commission has managed to unravel the mystery surrounding the air disaster which occurred on 7 October 1952. Witnesses to that tragedy have been found. For example, Vasiliy Ivanovich Sayko, a former seaman of the Pacific Fleet, actually witnessed the destruction of the U.S. plane. Furthermore, he recovered the body of the U.S. pilot—Senior Lieutenant Donam [name as transliterated]—from the water. The Russian sailor sent the dead man's ring to his family, which they have kept all these years. Work on this incident is continuing. The commission is hoping for assistance from Russian citizens.

It was officially announced at the session that a special commission to investigate cases of the disappearance without trace of foreign citizens and of Russian citizens who disappeared in unexplained circumstances outside the former Soviet Union has been created under the president of the Russian Federation.

The U.S. side has expressed its readiness to give every assistance here. The first results are already to hand. Colleagues from the United States have now begun investigating the fate of Lieutenant Colonel N.F. Udalov, who, together with a group of Russian servicemen, went missing in Ethiopia in July 1978. According to certain information he was being kept against his will in southern Africa. A list of 110 Russian soldiers buried in France has also been received. Nothing is known about them so far apart from the cross on their grave bearing the inscription "They Died for the Motherland." The aim now is to find out who is buried there.

The commission appeals once more to anyone who can help to clarify the fate of Russian citizens who have gone missing abroad.

ZIL, Caterpillar in Joint Venture

PM0912140593 Moscow ROSSIYSKIYE VESTI in Russian 8 Dec 93 p 1

[Item from roundup of ITAR-TASS, RIA, and INTERFAX reports under the "News in Brief" rubric: "ZIL Becomes Related to 'Caterpillar'"]

[Text] The major U.S. machine-building corporation "Caterpillar" has announced the establishment of a joint venture with the Russian ZIL automobile manufacturing plant in Moscow to manufacture components for diesel engines. The venture also intends to conduct joint studies into modernizing ZIL truck engines with a view to making them more environmentally friendly.

Election Issues

TV Version of Yeltsin Speech Compared to TASS

LD0912212693

Moscow Ostankino Television First Channel Network in Russian at 1840 GMT on 9 December carries a 12-minute recorded address to the nation by Russian President Boris Yeltsin on the subject of the elections to be held on 12 December. This version has been compared to the ITAR-TASS version subheaded "TASS Releases Speech Ahead of Time", published in the Russia National Affairs section of the 9 December Central Eurasia DAILY REPORT on page 12:

page 12, column one, fifth paragraph of item, last sentence, Moscow TV version reads:...is to be civil peace and tranquillity in Russia...(supplying word "civil")

same page, same column, sixth paragraph, last sentence, Moscow TV version reads:...Extraordinary measures were needed to stop this threat. (changing "deflect" to "stop")

same page, column two, fourth paragraph, only sentence, Moscow TV version reads:...legality and order to be restored in Russia. (changing "the country" to "Russia")

same page, same column, tenth paragraph, first sentence, Moscow TV version reads:...Russia and its statehood cannot continue to live...(changing "state system" to "statehood")

Yeltsin Said More Concerned About Referendum Than Elections

LD0912134093 Moscow Russian Television Network in Russian 1100 GMT 9 Dec 93

[By announcer Valeriy Vinogradov; from the "Vesti" newscast]

[Text] Boris Yeltsin carefully refrains from taking sides with any electoral bloc, Vyacheslav Kostikov, the president's press secretary, told the RIA agency in an interview. Kostikov stressed that Boris Yeltsin's main concern is not so much the results of the elections as the result of the referendum on the constitution, because the threat of confrontation would arise again if the constitution is not adopted. The principal goal now is to win the battle for the constitution—such is the opinion of Boris Yeltsin.

Filatov Interviewed on Constitution Referendum

LD0912175393 Moscow Mayak Radio Network in Russian 1524 GMT 9 Dec 93

[Text] Sergey Filatov, head of the Russian presidential administration, was interviewed in today's "Panorama" program. Mayak correspondent Olga Vasilenko started the conversation by saying that preparations for the referendum on adopting the new constitution started somewhat late compared to preparations for the elections. Here is what Sergey Aleksandrovich said in reply:

[Begin Filatov recording] Yes, it is true, but the thing is that the presidential decree of 21 September did not plan for adopting the constitution on 12 December. The draft constitution was to be adopted later, but the events of 3-4 October practically changed the political situation in the country very sharply. The virtual collapse of all the soviets of all levels, elections to a new parliament, not envisaged in the current Constitution, and the shortcomings of the current constitution, which make it possible to continue a power struggle and further confrontation between the branches of authority—all this has made the issue of adopting the constitution today's main issue.

If on 12 December the constitution is not adopted we will get into a very difficult legal space, in which the executive and legislative authorities will have great difficulties in cooperation not only on further legislative issues but also on issues of their interaction in general, because, proceeding from the current Constitution, executive and administrative functions can again be taken up by the legislative body. Interference in the activities of the government and the president may bring about a situation in the country which would be as tense as that on the eve of 3-4 October. It is even difficult to say how the state could be saved from this situation.

The problem can be solved in a normal way only if there is accord in society and the State Duma, but judging by the people who are today likely to get to the State Duma and by sociological estimations, unfortunately, this State Duma is unlikely to have accord within its walls. The functions of president, government and legislative body should be very clearly delineated. If each body minds its own business, this will benefit the whole country's progress.

As regards the powers of president and government, you see, authority has always been Russia's forte. An executive authority invested with powers, especially in this particularly difficult period—and we will need quite a few years before we find a way out of the difficult situation and our economy starts prospering—naturally, a very strong executive authority is needed, which will be gradually transformed in a weaker authority. When I say weaker I am speaking in terms of command and administration system, because this branch will be getting weaker as the market develops. If 30 million people are already operating on our market today, in the future, as more people pour into the market, naturally, the need in the command and administration system will decrease because totally different principles will then operate, but if we want to see a strong Russian state we need a strong executive authority, as well as a strong legislative authority, but a legislative one precisely. [passage omitted] [end recording]

Urges Adopting New Constitution

PM1012101593 Moscow ROSSIYSKIYE VESTI in Russian 10 Dec 93 p 1

[Lyubov Tsukanova report: "Sergey Filatov: 'The Unresolved Constitutional Question Is Too Onerous a Burden for Our Society'"]

[Text] If there is no vote on the Constitution or if it is not adopted, the country will end up in an uncharted legal space, Sergey Filatov, leader of the President's Administration, said at yesterday's meeting with journalists. "Hundreds of questions" will crop up, he said, primarily about the ways of "interweaving the threads of power" and establishing mutual relations between the branches of power. Whereas the new Constitution resolves all these problems.

Sergey Filatov expressed his belief that the October tragedy was the result of the flaws and contradictions of the Constitution currently in force, and not of the clash of personalities or even the clash between branches of power. One of the new Constitution's objectives is to create a mechanism for protecting society against political and social shocks on such a scale. He does not share the view, held by its critics, that the draft was hastily compiled. Work on it stretched over six months and involved major specialists in the legal sphere, experts, and representatives of political and public organizations of various orientations. The opinion of specialists, as well as that of Federation components and the country's citizens, was taken into account. As regards the diverse appraisals of the final draft, Sergey Filatov said, we cannot expect opinions to be unanimous—the time of universal unanimity and approval are long gone.

Unfortunately, the country's meager financial potential prevented any widespread publicity of the draft Basic Law elaborated by the Constitutional Conference. But the draft has already been published in 13 million copies by central newspapers and in approximately 30 million locally published copies, and the radio is also briefing Russian on it.

Citizens' greatest worry is caused by the Constitution's social section. Both the press and and election campaign speeches by candidate deputies speculate at length about it, but a careful study of the draft shows that it actually offers much broader opportunities for offering social security to the most vulnerable section of society and guarantees the exercise of a considerably broader range of human and civil rights.

There has been much misunderstanding and anxiety, especially within the Russian Federation republics, about the question of the state's federative structure. There is local worry about the alleged restriction of the status of national-state formations. In actual fact, the draft's innovation lies in the fact that it levels the rights and powers of all Federation components, in other words it expands the rights of krays and oblasts. Sergey Filatov believes that, under the pretext of upholding the republics' autonomy, local elites are struggling for their own sovereignty and independence of federal authorities. Such trends can be noticed in Tatarstan, Bashkortostan, and Tyva. The leader of the President's Administration assumes that the issue does not concern just the current draft, and that "a war against any draft" would be waged in places where there is active propaganda against it now. Furthermore, he distinguishes between the population's mood and the local leaders' ambitions.

Having emphasized the importance of Constitution's adoption for the country's future development, Sergey Filatov said that there would be nothing to fear in any delays in the constitutional process had society not been suffering from such economic ills. In our conditions, he said, the unresolved constitutional question is an onerous burden which society "may not be able to shoulder."

Medvedev Certain of Constitution's Adoption

PM1012104593 Moscow ROSSIYSKIYE VESTI in Russian 10 Dec 93 p 1

[Vladimir Chuprin report: "Nikolay Medvedev: 'The New Constitution—Continuation of Reforms and Consolidation of Statehood'"]

[Text] As the elections get nearer, the politicians' forecasts become firmer and, most importantly, more optimistic. Nikolay Medvedev, chief of the President's Administration Administration for Work with Territories, told journalists yesterday that the draft Constitution will certainly be adopted at the 12 December referendum.

"There was virtually no state power in Russia during the last three years," he said. "The republics' supreme soviets functioned according to their own legal norms, and the state structure was more akin to a confederation. A different country is taking shape now. It is a pity that not all local politicians seem to have grasped this reality."

According to government experts' appraisals, the new parliament will not have an easy time. First, the professional standards of candidate deputies is lower than in the disbanded Supreme Soviet. Second, the upper chamber will hardly offer any opportunity to create party factions—each deputy will again be "grabbing more than his fair share."

Asked whether the executive branch envisages failure in the referendum and what steps it would take should this happen, Nikolay Medvedev replied:

"The president does not wish to see such a turn of events, he does not need power, what he needs is the implementation of reforms and the consolidation of statehood, which would be impossible without adopting the new Constitution."

Burbulis Calls For 'Full-Fledged Parliament'

LD0912201393 Moscow ITAR-TASS in English 1716 GMT 9 Dec 93

[By ITAR-TASS correspondent tamara Ivanova]

[Text] Moscow December 9 TASS—The new constitution should "consolidate a strong presidency in the country without diminishing or infringing upon the legislative branch of power", Gennadiy Burbulis, leader of the Russia's Choice bloc, said in an interview with TASS on Thursday [9 December].

Being a consistent advocate of a presidential republic, Burbulis believes that "the draft constitution in its present form contains a number of provisions written deliberately in the absence of the legislative power".

The bloc leader said the country needed a full-fledged parliament with all inherent functions, including the controlling one. In his opinion, "the manner in which they will be performed, taking into account Russia's traditions and inevitable transition period for another three to ten years, is the subject for thoughtful and professional specifications".

Russia's Choice Urges Adopting Constitution

LD0912151493 Moscow ITAR-TASS in English 1449 GMT 9 Dec 93

[By ITAR-TASS correspondent Yuriy Filippov]

[Text] Moscow, December 9 (TASS)—Yegor Gaydar, Russian first deputy prime minister and leader of the Russia's Choice bloc, said today he really hoped that a new Russian constitution will be adopted by the December 12 nationwide referendum. Speaking at a news conference held by his bloc to sum up results of the elections campaign, he stressed that society should not doom itself for "another circuit of instability". However, the first deputy prime minister did not rule out that Russia's peoples would say "no" to the proposed draft constitution on December 12. He believes that in this case the Federal Assembly should immediately get down to work on another draft and do its best to promote its adoption within the shortest possible time.

According to Gaydar, the key role in this process should be played by representatives of democratic forces running for the Federal Assembly. He reported that in some regions Russia's Choice was backing certain candidates from other election blocs, for example from the Yavlinsky-Boldyrev-Lukin Bloc, the Democratic Party of Russia, the Dignity and Charity Movement, the Party of Russian Unity and Accord. However, the Russia's Choice leader expressed regret over statements by leaders of some democratic blocs who are, in his words, convinced that "it's better to have Communists and fascists in the Federal Assembly than Russia's Choice".

Gaydar said what he feared most was that the State Duma, a new Russian parliament's lower house, might resemble the former Russian Supreme Soviet as for its professional, intellectual and moral level. In his opinion, this danger is quite real, but it is not yet late to avert it.

Speaking of the possibility of rigging the voting returns, Gaydar and the other Russia's Choice leader Sergey Kovalyov highly evaluated the mission of international observers whom they consider capable to prevent or expose possible abuses.

Russia's Choice Accused of Violating Election Rules

LD0912212993 Moscow INTERFAX in English 1744 GMT 9 Dec 93

[Text] In the final stage of the election campaign the Russia's Choice bloc violates election rules increasingly often. This statement was made at a news conference in Moscow on Thursday by the chairman of the Movement for Democratic Reforms, Gavriil Popov.

Popov referred to the statements directed at "military units and enterprises" by the leaders of, as he put it, "the pro-government" bloc, such as First Deputy Premier Yegor Gaydar and Foreign Minister Andrey Kozyrev, during their recent trips to St. Petersburg and Murmansk Region.

In addition Popov showed a Russia's Choice poster featuring a photograph of President Boris Yeltsin shaking hands with Yegor Gaydar. "Maybe the president knows nothing about this poster, but his office made no protest in this connection," Popov said. He also drew newsmen's attention to the circumstance that the poster contained no references to the publishing house, circulation or cost, which "makes it impossible to check up the financial side of the bloc's election campaign."

Moreover, Popov said, it is necessary to conduct official investigations into the allegations that Russia's Choice used money received from the U.S.A.

According to Popov, these and other examples show that the Central Electoral Commission connives with Russia's Choice.

Popov believes that no election association will gain a parliamentary majority, as a result of which a coalition government will have to be formed after the elections. The Movement for Democratic Reforms has no intention of joining the governing coalition as a party.

Popov expects that Russia's Choice will collect no more than 25

of the vote under the party list, the Yavlinskiy bloc between 10 and 15

, the communists and agrarians about 15

, the parties led by Travkin and Zhirinovskiy 10

each, the Movement for Democratic Reforms and the Civic Union over 5

, while Shakhray's party "will have to fight for this".

According to Popov, the president should officially declare that the approval of the draft constitution at the referendum will signify the adoption of only two first articles. The remaining ones, he said, will have to be improved by the Federal Assembly.

'Live Dialogue' Discusses New Constitution

LD1012110793

[Text] Moscow Ostankino Television First Channel Network in Russian at 1645 GMT on 9 December broadcasts the "Live Dialogue" program. The announcer says that today's program is replacing the usual program at this time, the "Voter's Hour." He says that the program will be a phone-in program, involving the leaders of seven of the 13 blocs. The subject, chosen by Ostankino and not by the bloc leaders as before, is the draft constitution. Host Yuliy Semenov says that the leaders featured on today's program are Gavriil Popov of the Russian Movement for Democratic Reforms; Oleg Bogomolov of the Democratic Party of Russia; Aleksandr Lomakin of Dignity and Charity;

Vladimir Mironov of Russia's Future - New Names; Vladimir Zhirinovskiy of the Liberal Democratic Party; and Oleg Kolbasov of KEDR - the Constructive Ecological Movement of Russia. The announcer says that the leader of Women of Russia has not turned up.

Gavriil Popov says that his movement is, in general, satisfied with the first draft constitution, but has reservations about the second draft. It would be unrealistic to indulge in nit-picking at this late stage, however, he says. What has to be done is to find a practical mechanism for improving the existing draft.

Oleg Bogomolov says that his party cannot accept the draft constitution, because it is largely the creation of the president alone. Yeltsin has made the amendments that suit him, thus violating the very principle of democracy, he states. The Federal Assembly could decide on the framework of power for the time being, and a proper constitution could then be worked out gradually and without undue haste, he concludes.

Aleksandr Lomakin says that some elements in the constitution were objectionable. For example, the first draft has spoken clearly of pension provision, stating that pensions should be above subsistence level. The second draft says blandly that pensions would be fixed by law, and nothing more. The constitution has to work for everyone, he says.

Vladimir Mironov says that the main question is: What is power? He says: "In nearly every democratic country, people give the same answer: Power is the people. It is the nation. It is us. In Russia, the most frequent answer is that power is them. Power in our country, unfortunately, is still alien to the people," he states. There are numerous objections to the draft constitution and very few arguments in favor, Mironov continues. The argument that some kind of constitution has to be passed will not provide a solution to the problem.

"Moreover," he goes on to say, "I know that there are forces in the president's entourage that seek to frustrate the adoption of a constitution, because that draft is, you see, too democratic for them. Today I heard Gennadiy Eduardovich Burbulis proposing that it should be adopted only as a basis.

"I would now like to put a proposal to all the viewers and the colleagues who are present. What is happening is that we are adopting a constitution without any nationwide discussion. I am sure that that a nationwide discussion will inevitably have to be organized after the referendum. I think that, without waiting for 12 January, those who are elected to the Duma will have to set up a sort of pre-parliament and begin to summarize all the proposals that are coming from people so as to devote the earliest session of the State Duma to constitutional matters."

Other countries, such as Britain and France, have had hundreds of years in which to evolve constitutional procedures. "In our country, the constitutional process is only just beginning," he concludes.

Vladimir Zhirinovskiy condemns the sort of parliament that everyone else in the studio seems to want. Turning to the constitution, he comments: "In this constitution, Article Five is not to our liking—'The structure of the Russian state.' We proposed just one formulation: 'Russia consists of provinces or oblasts.' Here we find the words 'republic', 'autonomous oblast' and 'region'. That is not to our liking.

"Second, here we find an article 'Opportunities for the private ownership of land'. In today's crisis conditions, that is undesirable, because it will mean selling off our territory.

"Third, here there are excessive powers for the upper chamber, the Federation Council, in which a significant number of deputies from the non-Russian regions of Russia will be represented. That, again, is a mistake. Again, that is not to our liking."

The draft constitution for a presidential republic has been drawn up by the government so that the president can then protect his government if they turn out to have no parliamentary majority. Zhirinovskiy's party prefers the old constitution, but, in a time of crisis, altering documents will make no difference and do nothing to remedy the situation, he says.

"The constitution is just a formal document," Zhirinovskiy adds. "Everything depends on who is governing the country. Even with a bad constitution, a good president will make his people happy, and a bad president and a bad government, even with an excellent constitution, will bring the people to disaster. In that sense, we must realize that it is a pure formality, and it is not so important. What is important is who will come into parliament on 12 December, and then the situation may alter rapidly."

Oleg Kolbasov says that one has to be forward-looking in politics. Every voter has to make up his own mind and thus take part in building the country of the future. He says that the existing draft constitution cannot realistically be altered for the time being. Alterations could, perhaps, be made later on. However, it is clear that the state's responsibility for the ecological well- being of the people is not spelled out in the draft. Socioeconomic development has to go hand in hand with ecology, he says.

Mironov takes issue with Zhirinovskiy's view that the constitution is just a formal document of no importance. Zhirinovskiy objects: What is needed is a strong parliament and a strong government, adding that there is no need for a president at all. Constitutions can be framed to suit the form of state that has been chosen—presidential or parliamentary. He points out that Russia is a multinational state. The interests of every nationality cannot realistically be taken into account. Look at Georgia: There are three nationalities there and a good constitution. Yet war seems to be endemic there. Russia needs an authoritarian state to impose order. "It is like the fight against crime, where the ideal option is the usual procedure: The criminal is arrested and the court grinds on slowly. In our situation today, that is not possible. Gangland savagery is rife in our country. We can only stop crime by exceptional measures:

courts-martial and the execution of gang leaders on the spot. It is monstrous. It is terrible, but nothing will happen otherwise," he concludes.

Kolbasov says that the point of the discussion is not to lead everyone into a dead end. The people are the source of power. They have to declare their opinion. They should not allow parliament to be shelled.

Zhirinovskiy says: "A parliamentary republic is the highest form of democracy, but we cannot switch over to it today. We want to. All the political parties, even the Communists, want to, but the situation within the country does not allow it. That is the point: The document is not in keeping with the actual situation within the country." A multinational people is a multi-suffering people, he claims.

Semenov poses the question of what will happen if the constitution is not passed. Lomakin says that human rights are the main issue. National concord has to be achieved rather than a strong government imposing its will. The alternative to the adoption of a constitution is authoritarian presidential rule by decree as at present.

Mironov says that there is a need to actually agree on something during the program. Semenov suggests the topic of the ownership of land. Popov says that it is pointless to discuss specific issues, because there will be no agreement. He wants agreement on the process whereby the electoral campaign is being conducted. He produces a handful of "Russia's Choice" posters and comments: "They are just good, well-printed posters. But all these posters have one thing in common: They contain no information about their origin or about the size of the print run. No one seems to have ordered them. No one seems to have paid for them. A second conclusion follows automatically from that: No one will be able to check on how much all this costs—all this stuff pasted up all over Moscow. We have tried to pretend that there has been no problem of American money in our electoral campaign. The Central Electoral Commission has pretended that there is no problem. The procuracy has pretended there is no problem. A host of American observers who have arrived have pretended that there is no problem. Perhaps we should ask the Japanese. Let them check, when all is said and done, to see whether there is any American money or not. But someone has paid for all this and did not want anything shown here about who has paid and how much he has paid."

Mironov says that what is needed in a well-run state is not trade-offs, but cooperation between parliament and president.

Zhirinovskiy repeats that the facts of life will not be altered for some years even by a good constitution. It is pointless to discuss land ownership when most people had difficulty in finding the money with which to survive until the end of the month.

At this point, Semenov says that tomorrow's program will feature the remaining bloc leaders. The topic will be the same—the draft constitution.

Chernomyrdin on Elections, Coalition Government

LD0912175093 Moscow ITAR-TASS World Service in Russian 1553 GMT 9 Dec 93

[By ITAR-TASS special correspondent Ivan Ivanov]

[Text] Moscow, 9 Dec—In an exclusive interview with ITAR-TASS today, Viktor Chernomyrdin, chairman of the Russian Federation's Council of Ministers, said that "unless the new constitution is adopted, neither our society nor the reforms can develop any further." Chernomyrdin is currently completing treatment for a kidney stone at the Central Clinical Hospital. The premier hopes to leave hospital tomorrow or the day after tomorrow.

Chernomyrdin believes that the draft constitution being submitted to the referendum will make it possible "greatly to improve the government's effectiveness." "This is chiefly because it expands the powers and rights of the executive branch," the head of the government said.

He also expressed confidence that the government and the Federal Assembly would be able "to work together, without the destructive confrontation which we have endured in recent times." "In our Russian conditions, all efforts must be channelled into overcoming the crisis and ensuring a decent life for Russian citizens. Therefore, it is very important to make sure that the authorities always present a united front. This is the very objective which will be achieved as a result of the elections and the adoption of the constitution," the premier noted.

Chernomyrdin was asked whether it would be more difficult for the government to work as a coalition after 12 December, when some of its members will be officially representing the interests of various parties and movements. He replied by saying, "I don't think so. Our government is virtually a coalition already. In my view, the most important criteria are businesslike qualities, professionalism, and commitment to the idea of Russia's revival."

He was also asked whether there would be any change in membership of the cabinet of ministers after the formation of the Federal Assembly. "It would be expedient to retain the present composition of the government. During the year its members have begun working well together. If certain members of the government decide of their accord to leave it, new people will always be found in Russia," Chernomyrdin said.

Television Plans Special Election Program 12 Dec

LD0912175793 Moscow ITAR-TASS in English 1540 GMT 9 Dec 93

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow December 9 TASS—Russian television is completing preparations for broadcasting an unprecedented political show on the night following the parliamentary elections.

The show is expected to be attended by leading politicians, leaders of election blocs and political parties, representatives of business circles and cultural figures who will gather in the Kremlin Grand Palace after the polling stations close for voting.

The show will be organized by the television studio Rezonans of the Ostankino television company and the independent television company TV-Neva. The hosts will be Tamara and Vladimir Maksimov and Aleksey Pimanov.

Computerized maps of Russia will carry up-date reports about the results of voting in all electoral districts. The program will include interviews, political forecasts and musical numbers. Journalists will be provided with long-distance and overseas telephone and fax lines.

Ostankino To Give All-Night Coverage

LD1012113093 Moscow ITAR-TASS in English 1044 GMT 10 Dec 93

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow, December 12 (TASS)—The Russian Ostankino TV network promises to give voters live coverage of the historic elections on Sunday December 12. By 11 o'clock Sunday evening [0800 GMT] the network promises to inform voters whether the constitutional referendum took place, followed by preliminary referendum results at two in the morning and information on which political blocs are leading by six a.m. The election news will be interspersed by performances by some of Russia's most popular stars.

The international television show to be held on the night of December 12 and 13 is called, "The Russian Constitution. Meeting the New Political Year". Ostankino and the independent TV company "TV Neva" organised the show and held a press conference on Friday to explain the show's purpose and promises. According to the organizers, the show will let millions of Russian citizens know about the preliminary election and referendum results in record time.

A unique computer network has been worked out especially for the election program. Ostankino and TV Neva said they will use seven independent sources of information, among which will not be the Central Electoral Commission. However, they did not specify which sources these will be.

The show will be broadcast live from the Kremlin's Banquet Hall from 11 p.m. on Sunday to six a.m. on Monday. Tamara and Vladimir Maksimov will host the program in the Banquet Hall, which is to be redone into a studio for the purpose. The program intends to include more than a thousand participants, including the leaders of all thirteen electoral blocs, government officials, diplomatic representatives, and famous cultural figures.

CSCE Observers Say TV, Radio Access Favors Government

LD0912150793 Moscow ITAR-TASS in English 1400 GMT 9 Dec 93

[By ITAR-TASS correspondent Gennadiy Yezhov]

Moscow December 9 TASS—CSCE observers who arrived in Moscow to monitor the election campaign said the parties including government members got more advertising on TV and radio than the other contenders running for a new Russian parliament.

Oliver Spenser, head of the group of CSCE observers and chairman of the CSCE parliamentary assembly, told TASS that they saw during the election campaign some deviations from the basic democratic principle calling for equal opportunities for all candidates to promote themselves and their election platforms through the mass media.

It is noteworthy, Spenser stressed, that although on the whole election blocs were granted the same amount of air time, news readers seemed to be rather biased in favour of candidates from pro- government parties, as well as of the draft constitution. Furthermore, the peculiarity of the upcoming Russian elections is that contenders for parliament seats include a lot of government members. During their working trips in the past few days, they had an opportunity to appear on TV and advertise their views more frequently.

On the other hand, Spenser pointed out, private Russian radio stations have taken the proper stand in the election campaign, laying emphasis on the explanation to their listeners of quite complicated voting rules.

On the whole, it is extremely difficult to assess the present election race in Russia, taking into account how much the political situation here differs from that in West European countries, the head of the CSCE observing team said in conclusion. In his opinion, the elections will take place without fail, and on December 12 observers are to fulfil their main task at polling station throughout Russia—"to determine whether every voter had an opportunity to cast his vote freely and without any pressure".

Officials Concerned By Danger of Low Voter Turnout

AU0912165193 Paris AFP in English 1625 GMT 9 Dec 93

[Text] Moscow, Dec 9 (AFP)—A leading member of Russian President Boris Yeltsin's team on Thursday [9 December] expressed concern that the voter turnout for Sunday's referendum on a draft constitution might not be sufficient to secure the charter's adoption.

Yeltsin aide Gennady Burbulis told AFP that "there is a real danger" that the 50 percent threshhold might not be reached.

In order to be valid, 50 percent of the 107-million strong electorate must vote in the constitution referendum, which is adopted by a simple majority in favour.

Voters are also being asked Sunday to elect deputies to a new central legislature, the Federal Assembly.

The head of an observer mission in Moscow for the Russian elections, Spencer Oliver, also said that officials were "very worried" that the turnout might not be high enough for the constitution vote to pass on Sunday.

"They think that people might not bother to vote as they say to themselves: "What difference will it make," said Oliver, director of the Conference on Security and Cooperation in Europe parliamentary assembly, which is fielding some 45 observers throughout Russia during Sunday's poll.

Earlier Thursday the head of the electoral commission, Nikolay Ryabov, issued a statement reflecting the official concern that calls for a "No" vote by pro-independence leaders in some regions might affect the referendum result.

Denouncing statements by regional leaders and some Russian officials about "the possibility of participation or non- participation" in Sunday's referendum, he stressed that such comments should be considered as "personal stands" only.

Deputy Interior Minister Views Security for Elections

LD0912174593 Moscow Mayak Radio Network in Russian 1319 GMT 9 Dec 93

[Text] Russia's interior minister spoke a short while ago on our program, and now I would like to tell you that another meeting took place at his department today, which has also attracted journalists' attention. Militia Colonel General Aleksandr Kulikov, Russia's deputy minister of the interior, had a meeting with representatives of the North Atlantic Assembly—an interparliamentary organization of NATO member states—who have come to Moscow to attend the forthcoming Russian elections as observers. The report you are going to hear has been prepared for Mayak by Militia Colonel General Yuriy Reshetnik, the chief expert of the Russian Interior Ministry's public relations department.

[Begin Reshetnik recording] The visitors were interested to know, first and foremost, about the crime situation in the country in the run-up to the elections, especially in the south; how the Interior Ministry plans to maintain public order on election day; and if there are plans to use interior troops and special designation forces. Some other questions were asked as well.

Colonel General Kulikov said that to date the crime situation is stable and does differ in any way from the usual picture; that on election day the militia will work ordinary schedules; and that one militiaman will be on constant duty at each polling station. There are no plans to involve interior troops or special designation units in maintaining public order.

Speaking on the situation in Northern Caucasus, the deputy minister said the interior troops have on the whole completed their mission—that of preventing a large-scale war between Ossetia and Ingushetia.

Asked by a Dutch parliamentarian about his attitude to the pre- election promises of some candidates that they will eradicate crime, the deputy minister said many of those declarations and promises are prompted by sheer populism. As a professional, he can say that no promises will curb crime unless the state and all the people help fight it, jointly with the militia.

The delegation head said the 12 December elections mark a turning point, not only in Russia but in Europe as well, and that if they proceed successfully, we should all be able to look optimistically into the future. The best guarantee of security in Europe is the strengthening of democratic order in your country, he said. [end recording]

Rutskoy, Khasbulatov, Barannikov Allowed To Vote

LD1012115893 Moscow Radio Rossii Network in Russian 1000 GMT 10 Dec 93

[Text] The organizers and the active participants of the October events in Moscow, being held at the Lefortovo prison, will be able to take part in the voting on 12 December. According to INTERFAX, those charged with organizing mass disturbances—Ruslan Khasbulatov, Aleksandr Rutskoy, and Viktor Barannikov, among others—will be able to avail themselves of their right as citizens.

Gaydar on Bloc's Military Priorities

PM0912191493 Moscow KRASNAYA ZVEZDA in Russian 10 Dec 93 p 2

[Interview with Yegor Gaydar by unidentified reporter; place and date not given: "Army Problems Are Among the Priorities for 'Russia's Choice'"]

[Text] [KRASNAYA ZVEZDA] Yegor Timurovich, the last time you spoke to KRASNAYA ZVEZDA was in October 1992. Since then there have been enormous changes in Russia's sociopolitical life. It is hardly possible to assess them briefly or hurriedly. But all the same, please try to do so.

[Gaydar] Contradictory and painful as the development of economic and political processes has been, on the whole one can state confidently that the foundations have been laid for stabilization of the national economy and a reliable basis has been created for the reforms.

The country has broken free from the clutches of the total shortage economy. The ruble has become a working, convertible monetary unit. It has proved possible to halt the decline in production volume. The still imperfect Russian market has already enabled us to reduce food imports and has filled the stores. Russia's gold reserve is growing and its currency reserves are being replenished.

Unfortunately, it has not yet been possible to suppress inflation. This is what is hampering long-term capital investments in production, and the burden falls primarily on the shoulders of people with small incomes.

This situation has arisen largely because of the irresponsible policy of the former Supreme Soviet. Its fierce resistance to the course of reforms, followed by the armed attempt to reverse the country's course, contrary to the people's will, eventually forced the president to adopt the difficult, but only possible, decision to disband the Supreme Soviet and the Congress and call elections to a new legislative body. Now the people have the opportunity to have a weighty say about the country's path of development.

[KRASNAYA ZVEZDA] You are leader of the "Russia's Choice" bloc. The biggest number of attacks are made against your platform and you personally. And many opponents broach army problems. What are the program principles of "Russia's Choice" in the sphere of military development?

[Gaydar] First and foremost we proceed on the basis that the country's high level of defense capability can be guaranteed only on condition that it is reliably backed up by a steadily developing economy.

This has not yet been achieved. It is the task for the next stage. But the advantage of the present moment is that the threat of global nuclear conflict has disappeared. In the United States and other NATO states, military spending is being reduced and the strength of the armed forces is also being reduced. However, instability is still high at regional level. Many national and ethnic conflicts have not yet been extinguished, and the danger of nuclear and missile weapons "proliferating" is high.

Many probable seats of conflict are adjacent to our country's territory. Russia undoubtedly has an interest in maintaining close relations in the security sphere with our closest neighbors—the CIS countries. In order to resist the new danger, we intend to participate actively in strengthening the United Nations and the CSCE. We consider it very useful for Russia to participate in a common security system with the West.

Those are the realities the harsh imperatives, in the context of which the process of reorganization and reform is taking place in Russia's Armed Forces.

Our military expenditure has now fallen to 5.5 percent of GNP, which roughly corresponds to the proportion of such expenditure in the United States. In 1994-1995 there will be major expenses relating to the withdrawal of troops from abroad, the provision of amenities for them, and the construction of housing for servicemen.

But it is also clear that Russia's geopolitical interests and its position as a world power do not allow it to keep defense expenditure at an extremely low level.

Thus we are convinced that one of the most important tasks for the country's new parliament to resolve is that of defining the scale of material and financial resources to be allocated for defense needs.

The "Russia's Choice" bloc will do everything in its power to ensure that the Armed Forces hold a worthy place in the system of state institutions defined by the law. Nobody should be left in the slightest doubt about that.

At the same time we advocate effective control of the Armed Forces. We deem it unacceptable to shift onto military people the political responsibility for decisions made by the country's leadership.

We are in favor of a phased transition to a professional army which will be distinguished by the high standard of personnel training, worthy material provision for soldiers and officers, and level of technical equipment.

The Russian Army and Navy should know: The "Russia's Choice" bloc numbers the problems of military development among the priorities.

[KRASNAYA ZVEZDA] You mentioned the transformations taking place in the Armed Forces. How do you assess them and how do you see the prospects here?

[Gaydar] I know well enough that the problems in the Russian Army and Navy have not gotten any fewer recently, and maybe they are even continuing to accumulate. There are many reasons for this, and not only economic reasons or reasons of a financial order. I will say more: I do not really understand why the military leadership does not do certain obvious things. For instance, why the delay in reducing structural subunits, when there is an acute shortage of conscripts? And again, why has the institution of professional junior commanding officers not made its presence felt, when bullying still goes on? There are almost no legal mechanisms regulating that all-important principle for the Army, the principle of unity of command; hence the possibility of abuse of power. This generates apathy and indifference to service among certain soldiers and officers, and sometimes provokes them to unlawful actions. The psychological, moral, organizational, and legal norms and mechanisms that protect the dignity of the individual in the armies of democratic states are well known. The problem is, how to introduce them in the Russian Army. And here there is, as the saying goes, no shortage of work to be done.

It would be expedient if appropriations for the provision of amenities for troops being withdrawn were not scattered, but, at this stage, concentrated primarily on the construction of barracks and apartment blocks for servicemen. No mechanisms have been created governing the financial responsibility of the regional administration for the utilization of targeted financing for housing programs for servicemen.

The quest for nonbudget sources of finance for housing construction is being pursued only feebly. Let me give an example: The Defense Ministry has on its books about 1 million hectares of land that is not in direct use for combat training tasks. One-tenth of this land, if sold at auction, would cover a significant proportion of the expenditure on housing construction! To say nothing of the recycling of surplus military equipment and property. This means billions in additional monetary resources.

In the context of strictly limited financial resources, the government has done everything possible to ensure that people in uniform are materially provided for. The fact that servicemen's pay is today more than twice the average wage of workers and office workers is as much as the budget is capable of at present. The severance pay of servicemen on discharge is 20 times the monthly salary, which for the major/colonel category is 2-2.8 million rubles.

[KRASNAYA ZVEZDA] What is the time scale, in your opinion, in which the country could be extricated from the crisis, and what is the fundamental difference between the "formulas" for emerging from the crisis proposed by various political forces?

[Gaydar] Let me start with the second part of the question—the "formulas." There is not a wide choice of these. Some of our opponents propose to do the same as us, but by different means. They do not explain what these means are. Others call for a gradual, slower, "Chinese version" of reforms. This is attractive on the face of it, but is it possible for us? This attempt would have had some chance of success, say, until 1985, when we, like China, had a rigorous party political system of government and the party, as in China, would itself have headed the transformations.

There are proposals to retain a two-sector economy—state and private. This implies one sector of the economy living by new economic laws, and a state sector living by the old laws—the state order, quotas, concessionary credits, subsidies.

This option has been tried out fully in Ukraine. The results are well known. I think we should learn from our own and other people's mistakes and try not to repeat them.

Emerging from the present crisis cannot be easy. Countries that have performed an "economic miracle" have achieved success thanks to the citizens' prolonged and steadfast labor. I have never promised and can never promise the impossible. Everyone knows what comes of empty promises. But I am convinced that if a responsible economic policy is pursued, it is possible to reduce inflation to an acceptable level within six months, and within a year to halt the decline in production and ensure that industry enters a phase of economic upsurge.

[KRASNAYA ZVEZDA] The troops have practically stopped receiving new military equipment, there is a shortage of spare parts, and the most technical branches of the Armed Forces are beginning to lose their combat potential. What solution do you see to the situation that has arisen? How do things stand, according to your assessment, in the defense complex, and is conversion wrecking it?

[Gaydar] With the adoption of the "Main Provisions of the Military Doctrine of the Russian Federation," the situation is becoming clearer. A draft arms program through the year 2000 has been drawn up and submitted to the government. A defense order has been formulated and approved, which also defines conversion programs for enterprises and even entire regions. More than 80 percent of the potential of the defense sectors of industry of the former USSR remains in Russia. This has preserved the prerequisites for producing complex, high-tech output and new types of arms.

The government understands the defense sector's difficulties and is doing everything to facilitate the transitional conversion processes.

Research, experimental, and design work is in progress and groundwork has been done for new technology. But if this technology is to be up to world standards, it is necessary to overcome laggardness in electronics and the development of means of communication and engine building.

But at the moment there is only one solution—to use what we have carefully. As for combat potential, with a reduction of the Armed Forces to 1.5 million men, it will be quite sufficient for us to remain one of the world's strongest military powers.

[KRASNAYA ZVEZDA] The main provisions of the military doctrine were formulated by the government you headed. In your view, did the document achieve what you wanted, or not?

[Gaydar] Before answering your question, I would like to point out that this is the first time a military-political document defining the tactics and strategy of military development has been drawn up and published openly in Russia. It is no easy task. And although this is a doctrine for a transitional period, it will play a positive role. These were the points we were guided by in the initial stage of work on it.

It seems to me that the document sets forth quite clearly the general conceptual provisions of the political foundations and principles of the policy of the Russian Federation in the sphere of defense and security, the evaluation of the nature of the changes in Russia and in the world in general, and the nature of the threats and of Russia's vital interests. It also defines the sources of military danger, the possible character of wars, and the main directions for developing the Armed Forces and material and technical provision for them.

I believe the achievement of those who drafted the military doctrine is that they incorporated within it the principle that management organs and officials are answerable to the highest organs of state power, the observance of general civil rights and freedoms and social protection of servicemen, unity of command on a legal basis, and allowances for Russia's economic potential in military development. The doctrine has its weak points, of course. But the doctrine is only just coming into force, and is designed for a transitional period. Let us wait and see. Experience is wiser than the wisest man, and is always richer than opinion. It will sort everything out. Replacing provisions of the military doctrine or replacing it with the fundamentals of defense policy—that is a matter of time. What is important is that the first step has been taken to interpret military policy at the present stage.

It is, in my opinion, a very important step.

Views Economy, Future Prospects

PM1012114593 Moscow IZVESTIYA in Russian 8 Dec 93 First Edition p 4

[Interview with Yegor Gaydar by Mikhail Berger at the IZVESTIYA editorial offices in Moscow; date not given: "Yegor Gaydar: We Must Spare People the Tax Called Inflation"]

[Text] [Berger] Russia's two previous governments and you, Yegor Timurovich, as chief ideologist of reforms, are being accused of encouraging the dealer and the speculator while at the same time crushing the commodity producer with excessive taxes. One famous entrepreneur wrote to you in IZVESTIYA that the current system is gearing the country toward trade and not toward production. The retailer, under the authorities' wing, is becoming the dominant force in Russia.

[Gaydar] It is going to be necessary to kick off with some tedious facts here, but there is no other way to explain. Let us recall how our economy's structure looked until recently. It consisted entirely of imbalances: Massive steel consumption and the singularly high usage of power per unit of GDP; high production volumes for agricultural machinery coupled with an incomparably low volume of production for agricultural output. But the main discrepancy was the strikingly low share given over to the service sector. In terms of the number of stores, cafes, restaurants, laundromats, and other facilities, we were something of a phenomenon. I know of no other country with a level of economic development similar to ours which has, at the same time, an even remotely similar type of economic structure. There simply is no other such country.

It is natural that once some kind of market freedoms emerged it would be the most "deficient" sectors that would start to grow first—primarily trade and services. This rise was very marked, and so it is that people get the feeling that nobody is actually working, but that everybody merely trades. And this is the case even though the trade and service sector remains very small, and we have only just begun to move toward a normal society with normally developed consumer services [torgovyy servis].

[Berger] All this may be so, but it is hard to shake off the feeling that even the conditions—including taxation—for trade are far more propitious than for the production of any kind of commodity. Somehow this does not tie up particularly well with the bloc's program directives. [Berger ends]

The most important task is to reduce the tax burden. Solving it will stimulate the activity of commodity producers and increase the actual level of the population's income. (From the "Russia's Choice" program)

[Gaydar] Of the tasks we outlined as being the most important in the fall of 1991, some have been successfully completed, some only partially, and others not at all. By far the most painful and troublesome failure is the maintenance of high rates of inflation. And high inflation represents a tax on people with money in their pockets. It is the spheres with a fast turnover of capital that evade this tax easiest of all: in other words trade, banking services, and export-import operations. That aside, inflation is the cheapest form of tax for the state from an organizational viewpoint: There is no need for a tax police or special monitoring regime—just print the money and receive an income from it. The monetary economy during the Civil War in Russia was based on a situation where no taxes whatever were coming in, but nevertheless money was printed in earnest. In 1920, 99 percent of the budget revenue comprised emissions. But revenues from this type of tax dwindle quickly, as people run away from money.

Trade, as a sphere dealing with a fast monetary turnover, easily evades this type of tax not from a failure by this sector to pay up, but because it finds itself in more advantageous economic conditions. As a result, people get the impression of injustice. Of course, in principle, if a trader is determined to evade taxes it is technically easier for him to do this than it is for any commodity producer, and what is needed here is to step up controls.

In order for production to start paying its way, and for enterprises to have working capital in normal quantities, it is necessary to halt the rise in prices. Without this, even a potentially efficient production sector is not going to develop, and the structural transformation to the advantage of the service sphere will assume highly unhealthy forms. So it is that ensuring a minimum level of financial stability is a pivotal point of our program.

[Berger] You began your activity in government with price deregulation, which evolved into a price shock and the loss of savings. Can it really be that there was no other less painful option?

[Gaydar] When I was on compulsory leave, I began work on a book about Russia's economic history and the role which socialism played in this history. And in our history there were indeed moments which provided a theoretical opportunity to choose an alternative path of development. This was most poignantly felt in the mid-sixties. The countryside was different then, resources for extensive growth had not yet been exhausted, and bureaucracy had not yet become so fossilized. We still had a chance to grow into a society which I would describe as a society of closed capitalism.

Whether or not a similar alternative existed in 1985 is a major question. To me, personally, it seems that there was no option, but still this is a question for discussion. And again, there was no choice in the fall of 1991—this was perfectly obvious to me. The state was completely paralyzed. The main levers of economic influence—the apportionment of hard currency, imports—were for all intents and purposes totally exhausted. The sovereignization of the regions, the rights of state enterprises—all of this totally blocked any organizational efforts by the center. There was no room for maneuver. And the fact that the situation in the fall of 1991 has been forgotten now was not totally unexpected for me either. [Gaydar ends]

There exist in the country influential forces nudging it onto the path of reviving a highly monopolized economy,

demanding customs and taxation protectionism, and constant support for inefficient enterprises via preferential credits.

This type of policy leads to a situation where the country lags behind the world level of development in science, technology, and production. Through it, a blow is struck against forward-looking, competitive enterprises and sectors of the economy." (From the "Russia's Choice" program)

[Berger] The experience of recent months proves that in practice the government is not only failing to open up the economy, but it is limiting the access of foreign goods and services to the Russian market. In this way, the authorities seem to encourage the monopolists, allowing them to set high prices for competitive commodities. The classic example is the "Zhiguli" car, which now costs more than foreign cars of a similar class but of incomparably higher quality. You seem to be re-closing a recently opened door. Why?

[Gaydar] As of the beginning of 1992, we lifted all restrictions on import volumes for six months, and we abolished all import duties. This was a unique situation, as such import freedoms do not occur in a single normal country (with the exception of certain small island states). But at the time our consumer market was completely empty, and it had to be kick-started somehow.

When we introduced a small 5-percent import tariff as of 1 July last year in order to top up the coffers, we were condemned for doing this amid a commodity famine. At the last enlarged government sitting, which I attended after a long break, I was pleasantly surprised by assertions by ministers and administration heads that there is an abundance of commodities now, that foreign competitors are being squeezed out, and that it is necessary to protect producers of sugar, meat, and butter. Life has changed, and radically new questions are emerging, connected with the fact that it is difficult to sell a commodity.

At the same time, hard-line lobbying with demands to toughen customs restrictions on imports is today turning into full-scale political campaigning. Indeed, certain restrictions are necessary. In 1992 we made our economy too open. Import duties as low as ours cannot be found in a single developed or developing market economy. Therefore, in our country there is a certain freedom for maneuver, for the cautious and thoughtful introduction of restrictions, as the point of calculation currently stands at a very low mark. As of 15 December, we will introduce new and more considered import tariffs. But everything is good in moderation. Unless we oppose the supporters of blanket protectionism, very soon we will have a closed, Latin American-style market economy with diminutive and inefficient industry wasting away under the protection of mighty customs tariffs.

A movement toward defending the interests of national producers is vital, but is must be implemented within a framework generally accepted in world practise.

[Berger] Apart from global national producers, like car manufacturers or sugar refiners, for example, there is one more economically active stratum relying on protection and support from the authorities. That is, small and medium-sized business, which enjoys the patronage of authorities in the majority of countries. Do you intend to support this part of the electorate in some way?

[Gaydar] We have prepared amendments to tax legislation providing for a number of incentives for small-scale enterprise, if it is indeed new and if it is developing its activity in priority sectors. But we are approaching the issue of any kind of incentives with particular caution.

There are a lot of tax and other incentives which do not so much stimulate production as create a base for mass abuse. Many will recall the period of the stormy development of cooperatives, and then of the small entrepreneur against a backdrop of the collapse of the Union economy. The huge quantity of cooperatives was created at one time purely so that money might be channeled through them without paying taxes. Then, when the period of incentives ended, the firm closed and reregistered under a new name but with the same functions.

I recall only too well the wave of licenses to export raw materials issued in 1991 with the most noble intentions (the urgent provision of medicaments and baby food, to help invalids, agricultural producers, and so on). In most cases, behind these "benevolent deeds" stood a band of rogues seeking or succeeding in making money out of the resale of oil or timber. Indeed, even today numerous requests proposing to resolve one or another important state task terminate in requests for the issue of export quotas and licenses, preferential credits, and the transfer of premises. So that any special rules for individual categories or tasks is a very delicate matter.

[Berger] How do you see the future parliament?

[Gaydar] You know, I am rarely haunted by nightmares, but there is one which is persecuting me particularly insistently: I get into parliament, and there I find the very same people.... Upcoming changes in the composition of the representative branch are not necessarily going to be for the better.

[Berger] Many are concerned not so much by the composition of parliament as by the balance between the executive and legislative powers. Part of the voters consider that the principle of the separation of powers, which is the very basis of democracy, is not visible in sufficient measure in the draft Constitution submitted to the referendum. Is that what you think?

[Gaydar] I would urge an evaluation of the actual situation prevailing in Russia today. Of course, the current draft Constitution is a child of the crisis period of political development which we have all lived through. It bears the stamp of 21 September and the events of 3-4 October. There is a great deal in this draft which does not impress me. Nevertheless, I am deeply convinced that the risk associated with failing to adopt the Constitution is immeasurably higher than the risk associated with its imperfections.

Any failure to adopt the Constitution would take us back to the legal chaos which existed prior to 3-4 October. There is no means of discerning just what the parliament is, what the president is, and how their rights are distributed. The regions do not understand whose orders are binding on them and whose are not, and who answers for what. Once again we will be in a situation of highly risky instability, where everything will depend upon whom the defense minister obeys, and who has the gun in his hands, and who at the "fatal" hour organizes troop maneuvers in Moscow most accurately. Risks of this type are beyond the bounds of reason. That is why I would vote for the Constitution, even though it does not entirely please me.

[Berger] How, then, do things work with respect to counterbalances to the president's power, which is not well balanced out by the legislature? Could it be that attaining this balance will require that people vote against "Russia's Choice"?

[Gaydar] Let's have a go at depicting realistically how the current parliament may look. It is obvious that there will be Communists in it, and quite a few. I do not believe the sociological research asserting that the Agrarian Party is unpopular. I am absolutely convinced that this party will cross the 5-percent barrier. Thus, a fairly powerful agrarian-communist bloc may form. Zhirinovskiy is conducting quite an effective propaganda campaign, and he stands a good chance too. It is uncertain which of the centrists will get in. I think it will be Travkin rather than Volskiy.

Thus the entire spectrum of forces which formed the basis of the Khasbulatov parliament may again be reproduced, plus Zhirinovskiy. One could go on to put the question in the following way: Will this bloc be countered by a fairly strong democratic bloc, capable of carrying through sensible decisions? I would like to see a fairly broad democratic coalition in parliament, resisting parliament's drift toward a model of the Supreme Soviet of recent times.

So, if one were to follow the proposed logic and vote against the democrats so that parliament might stand in opposition to the president, what we will get is yet another quasi-democratic structure generating conflict between the parliament and the president. This means that in summer 1994 we will be in the same position as in fall 1993 but with one difference: The president has the right to dissolve the parliament. To my mind, Russian democracy may not survive another dissolved parliament.

[Berger] If the elections culminate favorably for "Russia's Choice" and you obtain the opportunity to pursue your policy, what exactly will people get out of it?

[Gaydar] If we do indeed get a chance to pursue our policy, the main result for next year should be a drastic cut in the rate of price rises. We hope to be successful in this, and that people will benefit from predictable prices and a relatively stable economy by East European standards. The currency exchange rate will rise slowly, significantly lagging behind the rate of inflation. Accordingly, the ruble rate will also rise, and with it the dollar expression of wages. Right now it stands at roughly $80 per month on average, and by the end of next year it may hit $120 or possibly more.

It is probable that at the beginning of the year we will conduct a reform of family benefits. The payment system will be significantly simplified, and the sum significantly greater. In the first quarter it is planned to submit for discussion a law on pensions which will restore the normal differentiation of pensions dependent upon work record, former wage levels, and with due account of indexation.

As for the Army, we will not set any immediate drastic cuts in military expenditure as our task. Cuts in military expenditure in 1992 were already more than elsewhere. Indeed, actual cuts in the Armed Forces cost money, and we still stand to incur huge expenditure connected with withdrawing our troops from beyond Russia's borders. As for troop strengths—we plan to have an Army of 1.5 million by the end of next year. The principles of financing science will be changed radically, and we will seek opportunities to effect the necessary financial support of culture and education.

[Berger] In a short space of time you traveled the dizzy road from little-known scientist to politician of world stature. How have your inner feelings altered in light of this?

[Gaydar] Imagine that you know in theory how to fly a plane. You read about this in textbooks, but you have never sat behind the controls. Then it happens that you are placed behind the controls, and I don't mean in a simulator, but in an actual aircraft. Moreover, the pilot has disappeared, the plane is losing altitude quickly, and nobody wants to sit in the pilot seat. You get behind the controls and vaguely understand how this apparatus should respond to your actions. However, you have no experience or feeling of real contact with the machine, without which your actions are imprecise and often spasmodic. Naturally, all these things affect the flight and the passengers.

I experienced all these feelings in the first period of work in the government. With time, you acquire experience and understanding of what is necessary, what is possible, and what is impossible.

Yavlinskiy Bloc Electoral Program Printed

PM0912132593 Moscow ROSSIYSKAYA GAZETA in Russian 9 Dec 93 First Edition p 2

[Platform of "Yavlinskiy-Boldyrev-Lukin" electoral bloc: "There Is Another Path of Development"]

[Text] We believe that our country has an alternative path of development.

We Propose in Politics

Consistently upholding democratic values, we advocate the creation of institutions of representative power at all levels, a legal, constitutional framework for the functions of the executive, an independent court, and a real separation of powers.

Federative Structure and Regional Policy

We adhere to the principle of equal rights for citizens of the Russian Federation, regardless of the territory of which of the components of the Federation they live on.

We advocate a constitutional Federation, not a treaty-based one. Russia's unity is an immutable principle upon which doubt cannot be cast either by a vote in parliament or even by a referendum on its individual territories.

We advocate encouragement for the processes of interregional integration. The unification of the components of the Federation on the basis of the economic, social, and geographic commonality of neighboring administrative-territorial formations. The gradual formation of larger regional associations on a nonethnic basis.

What Must Be Done in the Economy

The attempt at once to replace state regulation of the economy by financial instruments of its management designed for established market systems with a competitive milieu was a strategic mistake at the first stage of the reform.

Inefficient disposal of property, monopolism, and the economy's "heavyweight" structure, i.e. one in which heavy industry was overdeveloped at the expense of sectors producing consumer goods—these were the deep-seated causes of the growth in prices, and their removal must be the priorities of economic policy. We consider the struggle against inflation a long-term task and propose a three-year program to surmount it.

Privatization

The ensuring of capital investments in enterprises being privatized, not their distribution according to the old balance value, must be the aim and condition of privatization.

The state must maintain effective control over those spheres of the economy which remain in its hands.

The exchange of the vouchers already issued for shares must be completed. In the future the state must encourage the sale of controlling packets of shares in industrial enterprises to investment funds, banks, foreign investors, and others in exchange for capital investments. At the same time the interests of small shareholders must be guaranteed.

Structural Policy

Structural policy must be geared to expanding the domestic market, increasing exports of products with high levels of processing, and supporting science-intensive sectors which ensure "breakthrough" technologies, as well as sectors of traditional exports.

Support for locomotive sectors as the basis of future economic growth. Deciding on the list of these—not more than four or five (for example: aircraft building and space; oil extraction and oil refining; the construction materials industry; housing construction).

Transition from the policy of suppressing investment activity to encouraging investment demand. A combination of state long-term credits (with simultaneous toughening of control by the Central Bank of Russia over the targeted use of such credits) and private investments is needed.

Financial and Monetary-Credit Policy

Its main task for the next few years is to create predictable macroeconomic conditions for enterprises and the population.

Predictability of the economic situation can be ensured with the help of stability of economic legislation, a system of control over basic economic indicators, and the actions of the state power on the basis of a program of economic reforms.

Nonmonetary methods of combating inflation are also needed (accords between sectors, agreements within the framework of trilateral talks involving the government, and others).

A "soft" tax reform is needed for the purpose of reducing the overall tax pressure on enterprises in the production sphere.

Support for Economic Reforms in the Regions of Russia

We proceed from the premise that movement "from bottom to top"—from the regions to the center—is the most important principle of the reforms in Russia. The federal authorities must assist the efforts of local authorities in implementing economic reforms—and give legislative, methodical, financial, and political assistance.

Social Policy

Our overall approach is that the state must pursue an active policy in the social sphere.

The government's key task is to broaden the opportunities for those who can and want to work to apply their labor and abilities, and to guarantee that the prescribed list of basic social benefits is granted to those who are not able to work.

The government's main tasks are:

—an incomes policy agreed with the population for the next three years;

—a change to the system of taxation so that it encourages labor activity and at the same time ensures the redistribution of funds in favor of the needy;

—the partial yet systematic and timely indexation of social payments and wages in nonproduction sectors;

—an increase in indirect taxes on luxury articles;

—the allocation of priority state programs in the spheres of science, education, culture, and health care;

—a special program for the retraining of servicemen;

—the formation of nonstate pension funds, nonstate insurance systems, etc.;

—the ensuring of one of the fundamental principles of a civil society—the security of its citizens.

Relations Within the CIS Framework

Relations with "nearby foreign parts" are the priority of Russian foreign policy.

Therefore our long-term aim is to create on the basis of the CIS a community of states with clear-cut mutual obligations in the economy, politics, and defense. This is necessary not only for Russia but also for many of its new neighbors.

Protection for the rights of the Russian-speaking population in the new states is a very important task. It is necessary to make the transition from declarations to enshrining the economic, social, and political rights of citizens of the nonindigenous nationality in interstate treaties and in national legislation.

Yavlinskiy on Federal Assembly

MK0912120093 Moscow SEGODNYA in Russian 9 Dec 93 p 2

[Natalya Gorodetskaya report under the "Marathon" rubric: "Grigoriy Yavlinskiy Dreams of a New Government, but He Is Ready To Influence the Current One, for That Matter"]

[Text] Grigoriy Yavlinskiy, leader of the "Yavlinskiy-Boldyrev-Lukin" bloc ["Yabloko"], it turned out at a news conference in Moscow, dreams of having so uniform a government in Russia that "any of 20 to 30 people would say one and the same thing on key issues." This is why Mr. Yavlinskiy categorically rejected the possibility of forming a coalition government at a time when "some people are building communism, others socialism, and still others are simply minding their own business." On the whole, the hope that a new cabinet of ministers may emerge in Russia in the near future is fairly low, Mr. Yavlinskiy said, because Boris Yeltsin has pledged to fight for the current lineup, and "under the new rules of the game" the forming of a government is an exclusive prerogative of the president. No matter how many seats a party or a bloc may win in a new parliament—20 or 30 percent—according to the new Constitution "if the parliament does not like the government it is the parliament that must resign, not the ministers." Nonetheless, the "Yabloko" leader hopes that the parliament will still have a possibility to influence the work of the government, which is actually why his bloc entered the race for State Duma seats, he said. In addition, Mr. Yavlinskiy is certain that all "contentious issues should be decided in parliament, and there should be no street opposition."

No doubt, "Yabloko" sees itself as a "constructive" opposition. Disgruntled with the "ideology of carrying out reform," Messrs. Yavlinskiy, Boldyrev, and Lukin have offered their own economic program. According to Grigoriy Alekseyevich, "reform should be pursued not only through financial or monetary mechanisms." "Given the right financial policy" and the "broad distribution of private property, demonopolization of the economy, and creation of competitive markets," Mr. Yavlinskiy believes, monthly inflation could be brought down to 1 percent. Bringing inflation down to 10- 15 percent, which the current government declared as its immediate goal, will be a temporary phenomenon that will not bring about tangible changes for the better, he emphasized.

In addition, bloc leaders have already pinpointed "a number of constitutional provisions" that should be amended, and are intent on continuing this work in parliament, if the draft is approved by the referendum, about which Mr. Yavlinskiy has no doubts. If the draft constitution is not approved, however, this will have no destabilizing influence on society, Mr. Yavlinskiy argues, the new parliament will simply finalize the document and submit it to a referendum again. Criticizing the constitution, "for it is not only the dead of whom nothing but good should be said," the "Yabloko" leaders, however, call on voters to vote at the referendum as they themselves think fit. In Mr. Yavlinskiy's view, the constitution should in any event be adopted not later than by next summer so that the parliament could work out the laws on elections, on parties, and so forth, and hold elections for the Russian presidency, local authorities, and a new parliament on this basis. In this event the Russians would have a new democratic society by 1996. The parliament that will be elected 12 December, Mr. Yavlinskiy repeated, may only be seen as a constituent body, because presently "we cannot hold fair and democratic elections."

Yavlinskiy Remarks on Army

PM1012105393 Moscow KRASNAYA ZVEZDA in Russian 10 Dec 93 p 2

[Unattributed report: "Russia Cannot Afford To Have a Weak Army. Extract From Stenographic Record of G.A. Yavlinskiy's Statement at Regional Seminar of Candidates for 'Yavlinskiy-Boldyrev-Lukin Bloc' Electoral Association"]

[Text] Question: How in your program do you think of resolving the problems with the defense complex? Can you comment on Yeltsin's 6 November edict concerning defense enterprises?

G.A. Yavlinskiy: I am very pleased that this edict exists, and in general I would say this: more edicts, good ones and different ones. Now, as regards the crux of the matter. From our viewpoint the defense complex is of very great value and interest on certain points. From the viewpoint of the people who work there, from the viewpoint of the technologies contained therein, and from the viewpoint of scientific potential as a whole. The chief task is to think out, understand, and realize some strategy which makes it possible to preserve these key things. There can be different strategies. One of them consists in the following. Since the defense complex is an interconnected system, the government must adopt for five years some action program which is interconnected with all enterprises of the defense complex. The program should clearly enshrine the phased nature of the reduction in production and in the volumes of useful output and indicate precisely which types of output must be preserved. Then sectors are freed in program order, i.e. 10 percent in the first year, let us say, a further 20 percent the next year, and then 30 percent. As they are freed, these sectors must be coordinated to produce not conversion output in general but quite complex and necessary output. The question might be put like this: The Lavochkin Plant, which produces spacecraft which fly to the moon, is suddenly ordered to produce kettles or saucepans....

From the floor: They make chandeliers....

G.A. Yavlinskiy: Well then, it is quite another matter, of course, if they are chandeliers. They come from space, and we get chandeliers.... The point is that they should produce not chandeliers, night-lights, and all sorts of other splendid devices but quite a lot of necessary, complex things. You yourselves know the position our civil aviation and the navigation sector are in. Things are very bad with communications in our country. That is, we have a mass of civil sectors in which their participation is extremely important.

In addition, we have oil, gas, and other sectors which are major exporters. If we can only coordinate correctly the actions of these three forces—the consumer, the possessors of currency, and the military-industrial complex—then in this case this will be called "conversion." Real conversion.

Such a program must be developed. At one time we had the State Planning Committee, and in the past it was no particular problem to simply look and estimate the extent to which these enterprises must be shed. But they are not hairdressing salons. They must be treated a little more seriously.

Question: You have spoken here and said: The army must be put in order. I would like to know what you mean and what your attitude to the army is.

G.A. Yavlinskiy: First I will explain why our election platform does not contain a detailed section on the army. This is connected with the fact that the election platform was being prepared at the same time as the military doctrine. We simply did not know when they would publish this military doctrine or how they would present it, and there was simply a very high degree of uncertainty.

The situation now is as follows. I believe that Russia is a country which can on no grounds imagine life without a large and serious army. I insist on these words concerning a large and serious army. Such is its geopolitical position, such is its role in the world, if you like, and such is its undoubtedly historical past and future. Russia has very long borders with regions whose future is very unclear. For centuries Russia was a wall between Western Europe and these regions. This was how it evolved. This was the balance of forces. Russia endured a very great deal of everything precisely because it formed this wall.

To date there is no answer to the question—not in the military doctrine either—of whether the understanding of this fact is a worldwide understanding. Is Russia included in the system of international security? Is Russia included in the world balance of forces? If Russia does not resolve these problems on a world scale and a European scale, who will? Who is supposed to be placed at the service of this question? Who will resolve these questions in principle?

I personally admit that, given a correct foreign policy, NATO or the United States, let us say, would turn to Russia—do not reduce the army but, on the contrary, strengthen it, because who will resolve all the tasks I have mentioned? Yes, alter its structure; yes, carry out rearmament, etc.

If this question, as so formulated, is not examined and resolved for a further three or four years, then objectively Russia itself will resolve its own questions, i.e. it will organize itself around itself. It is a sufficiently independent quantity in the world to start resolving this question independently. Russia is an entire planet. It will start to resolve it independently.

I was once asked: What do you think, after the collapse of communism what kind of policy will Russia pursue—pro-Chinese or pro-U.S.? I said: pro-Russian. Russia cannot, in principle, pursue a policy that is pro-anyone. It can vacillate at times owing to the weakness of politicians and owing simply to their inability to do something, but these are very temporary vacillations. Everyone must understand: Russia will always, after all, pursue only its own interests. And these must not be allowed to come into conflict with other people's interests.

Russia might be weak at some stage, but this is only at a stage, and the people possess a historical memory and will certainly return to all these questions. If Russia starts resolving its own questions, this can be the criterion. To cut a long story short, I could say that the army must be professional and mobile. Then the people serving in the army will be proud to serve in the Russian Army. That is all. Because an officer is a person with a definite, absolutely specific property of his own dignity. If an officer is proud to serve in the army in which he serves, this is the chief sign that this army—in the professional, military, and political respects—is the army that his people need.

Court Ruling on 'Hitler Comparison' Viewed

PM0912151193 Moscow ROSSIYSKIYE VESTI in Russian 9 Dec 93 p 1

[Nikita Dubrov article: "Arbitration Court Refuses To Rule Whether Zhirinovskiy Is Reminiscent of Hitler"]

[Text] A few days ago the Arbitration Information Court examined Zhirinovskiy's complaint in which the leader of the Liberal Democratic Party claims that Gaydar had insulted him by publicly comparing him to Hitler and demands that the leader of "Russia's Choice" be obliged to issue a public apology. Having weighed up all the "pros" and "cons," the court made what was probably the only possible ruling in the circumstances. The wording of this ruling has been carefully weighed up and is impeccably precise.

On the one hand, the court believes that "assessing the legality of historical analogies cannot be the subject of an investigation by the Arbitration Information Court," and consequently "V.V. Zhirinovskiy's demand that Ye.T.

Gaydar should be obliged to issue a public apology cannot be satisfied, since the matter is not at all within the competence of the Arbitration Information Court." At the same time, "bearing in mind the fact that the figure of Adolf Hitler—a war criminal condemned by the world community for crimes against humanity—is perceived in persistently negative terms by the overwhelming majority of Russians, the court believes that the use by Ye.T. Gaydar of a comparison phrased in the general sense, without specific explanation or reservation, could be interpreted by his opponent as an insult." Therefore the court nevertheless "draws the attention" of Candidate Deputy Gaydar "to the impropriety of the remark he made."

This ruling only appears to be contradictory. The court, it seems, acted correctly by separating the two different assessments of the situation—the legal and the ethical. Indeed, in the practice of world jurisprudence, as far as I know, there has never been a case in which a comparison with a historical figure has been the subject of an investigation, let alone the basis for a slander verdict. The reason is simple: Any legal criterion should be universal and have an unambiguous interpretation. All historical parallels are unable to meet this requirement, since there will always be two people who will interpret it differently. Even in our society, unfortunately, there are people who are prepared to interpret a comparison with Hitler as the highest praise. It would be interesting to know whether Zhirinovskiy would have been offended if he had been compared to Stalin, for example. I do not think he would. What about Lenin? He would probably have been secretly pleased. Although the last two comparisons would have been too flattering for the Liberal Democratic Party leader—he is in any case a lesser figure—there is no doubt that in many ways he is similar to these charismatic leaders. Let us hope that the matter will go no further than a dangerous similarity. I personally think that Zhirinovskiy is not particularly like Hitler, but I suppose the likeness seems clearer to Gaydar.

But whereas it is impossible to give a juridical assessment of the comparison used by Gaydar, it is possible to give an ethical appraisal. It is clearly improper. First, even from the scientific viewpoint, it is wrong to compare something with something else without demonstrating the correctness of the comparison. It would have been necessary to show, for example, that the methods used by Hitler and Zhirinovskiy to manipulate mass consciousness were the same: Demonstrating the qualities of a "strong character" capable of "imposing order," making unrealizable promises based on an exact knowledge of society's grievances, knowing how to flatter the great and the good or at least to neutralize their own negative feelings about themselves (Zhirinovskiy is currently the most striking proponent of the presidential draft of the Constitution), playing on a feeling of national frustration and appealing to the aggressiveness and egotism that inevitably flow from this feeling (the promise to improve the Russians' lot by making things worse for others), a predilection for the rostrum, almost hypnotic, even painful, propagandist pressure, and so forth. Then there is the entire classic set of devices involving "the leader," "the teacher," and "the father of the nation." I think that for an educated man like Gaydar it would not have been too difficult to carry out such an analysis, replete with vivid illustrations, and I dare say that he very mistakenly overlooked it in passing judgment on, among other things, the growing popularity of his small-time but sinister opponent.

A second factor that compels us to regard as justified Gaydar's reproach for his lapse of propriety is this. Adolf Hitler, as the arbitration court very correctly notes, was a war criminal condemned by the world community for crimes against humanity. To date Vladimir Zhirinovskiy has not done anything similar. He is merely trying to make one people happy at others' expense, whereas Hitler tried to implement this policy in practice. It seems very likely that Zhirinovskiy would not go this far, thank God. But it looks as if Gaydar's comparison has presented intentions as already accomplished facts, and you cannot find things that do not exist. In Rus, it is true, words have been regarded as actions since time immemorial—it was for words, not actions, that people were thrown in jail, shot, elected to parliament, and all sorts of things, but this is a mystery of the Russian soul which maybe not even the Liberal Democratic Party's team of psychologists can unravel.

Zhirinovskiy Comments on Economics

LD0912213493 Moscow INTERFAX in English 1744 GMT 9 Dec 93

[Text] The leader of the Liberal Democratic Party of Russia (LDPR), Vladimir Zhirinovskiy, has said the Russian state will be restored within the borders of the former Soviet Union. At a press conference in Moscow today, he pointed out that it will be economic factors that drive the CIS states to join Russia. He cited the example of Ukraine, which will receive neither fuel nor other goods until it pays off its debts to Russia totalling about a trillion rubles.

At the same time, Zhirinovskiy said he was against admitting the Transcaucasian republics to the Russian Federation. He is convinced that the future parliament "where the LDPR will be one of the biggest factions," will approve admitting Transdniestria, Abkhazia, Adzharia and other regions with high concentration of Russian-speaking population.

Zhirinovskiy said his party will pursue its own policy in the State Duma instead of uniting with other parliamentary factions.

Commenting on international politics, Zhirinovskiy said he was against military coalitions and proposed that NATO dissolve itself. "Let them set up two more military alliances around Russia, it does not worry us. During the arms race, their member-states will go bankrupt, while Russia will be flourishing," he warned.

The LDPR leader backed disarmament saying Russia must be the last one to destroy its nuclear weapons "after it is confident that no one could be of any danger."

Speaking on the struggle against crime, Zhirinovskiy said that only his party would really address the issue as "the other parties are connected with mafia." He was quoted as saying that the 5,000 criminal groups registered in Russia today will be done away with within six months. Among other measures to tackle the issue, he indicated "court-martials" and "shooting of gang leaders on the spot."

In answer to the questions, Zhirinovskiy confessed that "he regarded blacks with sympathy." In his opinion, Russia is ready to accept hundreds of thousands of blacks from South Africa. "We have a lot cut out for them - build houses, lay roads," he said. The LDPR leader pointed out that no one in Russia would exploit the black population.

Civic Union Says Economic Slump Hurting Campaign

MK0912132093 Moscow NEZAVISIMAYA GAZETA in Russian 9 Dec 93 p 2

[Anna Ostapchuk report under the "Party Movement" rubric: "Civic Union Writes a 'White Book'"]

[Text] Candidates running for the State Duma on Civic Union's federal list have held a briefing for journalists. The meeting was devoted to a new draft "White Book" entitled "Russia—a Graveyard of Factories." Viktor Yermakov, a member of Civic Union's political-consultative council, told your NEZAVISIMAYA GAZETA correspondent that he, like many of his colleagues, has been conducting his election campaign in the Russian provinces. The other day Yermakov returned from the Volga Region, where he tried to boost Civic Union's rating together with Vladimir Menshov, a film director. "There is a revolutionary situation on the Volga, plants stand idle—for instance, the Volgograd Tractor Plant with its 36,000 workers—and there is not the slightest glimmer of hope that they will resume operation," Yermakov told your NEZAVISIMAYA GAZETA correspondent. Aleksandr Degtyarev, a chief of Civic Union's electoral staff, noted that even the relative modesty of Civic Union's campaign is attributable to the fact that Russian industrialists and entrepreneurs, on whom the centrists rely, are currently "the poorest people, who owe everyone." In Degtyarev's view, there are no more well-off plants in Russia. Those that are seen as operating work two to three days a week. Many giants, such as GAZ, the Rostov Combine Plant, the St. Petersburg Optical- Mechanical Association, have really been "frozen" and for a long time.

Zhuganov Criticizes Yeltsin for 'Destroying National Peace'

BR0912135793 Milan IL GIORNALE in Italian 8 Dec 93 p13

[Interview with Communist Party Secretary Gennadiy Zhuganov by Luigi Offeddu in Moscow; date not given: "'We Will Make It,' Say the CPSU's Sons"]

[Text] Moscow—Opinion polls are predicting that he will win a minimum of 7 percent and a maximum of 20 percent of the vote in next Sunday's elections, but even if he only achieves the minimum figure, [Russian Communist Party leader] Gennadiy Andreyevich Zhuganov may feel satisfied because, in any case, he will have saved his party from extinction—that very same Russian Communist Party that a month and a half ago everyone was declaring dead. Today it is alive and kicking. It is going into the elections boasting masses of self-confidence. In this respect, comrade Gennady Andreyevich, the party's secretary and undisputed leader—broad-shouldered, square-faced, with his permanently pressed blue jacket—is its fitting representative. About 50, blond, and easy- mannered, with a lifetime career as a an official behind him, Zhuganov is very careful not to reactivate certain allergies that are widespread among Russians. This is why he does not talk much about the proletariat, but a lot about painless reforms. Rather than speeches about revolution or the people's front, he prefers to talk about a future center coalition capable of undermining Yeltsin's power.

In short, Gennadiy Andreyevich is a pragmatist, but not to the extent of his Polish or Italian comrades, who have changed their respective parties' names. So far, he has not wished to do so. Why? "It is not an easy question," he replied immediately, "because every name is, in many ways, sacrosanct. I think the question of how our party should be called concerns each of its 600,000 members, each of its grass-roots organizations. So it is a question for the party congress."

[Offeddu] Have you already addressed this issue?

[Zhuganov] No. If it is raised, it will have to be considered very carefully, but I do not believe the name is the key issue, anyway. What matters is our platform, its nature, its means for action.

[Offeddu] Precisely, let us focus on your platform. The Polish and Italian former communists have stepped back into the power game by sounding the praises of the free market. What about you?

[Zhuganov] We are in favor of a socially-oriented market.

[Offeddu] What does that mean?

[Zhuganov] It means that the State must play a major regulatory role within it.

[Offeddu] Have you not already trodden that path before in this part of the world?

[Zhuganov] Listen, what we had here was a completely monopolized economy, and we still have 5,000 companies manufacturing products subject to a monopoly. Without a minimum of state intervention it is impossible to privatize an economy of this nature wholly and immediately.

[Offeddu] The CPSU said the same thing right up to its last days...

[Zhuganov] We have rejected many points which we felt were unacceptable in the CPSU's platform. We have done as much as possible to renew the party and give it a freer outlook on the world. We are fully aware that the CPSU's death was caused by its monopoly on power, on 'truth.' We will never again make the same mistake.

[Offeddu] While we are on the subject, what was the Communists' greatest mistake?

[Zhuganov] Failing ever to build a real party, and building in its stead a State structure which had to function according to its own rules. Such a structure was doomed to be worn down, and that is why it should have been renewed from time to time.

[Offeddu] Is that not what Gorbachev tried to do?

[Zhuganov] No, he only started destroying the structure and replacing it with a presidential formation that had no wings, no firm basis, no roots of any kind. As a result, he ruined everything that was there before, without creating anything in its place.

[Offeddu] What about Boris Yeltsin?

[Zhuganov] He is following the same policy. Today he is well aware that Russia cannot exist without a strong vertical government system. But in creating such a system, Yeltsin is at the same time destroying national peace, the agreements of the federal treaty, and the soviets, that is to say, the local governments and parliaments. However, Russia cannot exist without soviets or without the central government. Even the fiercest landowner, before the revolution, did not meddle with the decisions of the peasants' assemblies. This is a Russian tradition.

[Offeddu] A tradition or a curse?

[Zhuganov] There is no curse on Russia. Our country is like a suspension bridge between Europe and Asia: If it collapses, a maelstrom will arise which will swallow up all the scraps of sovereignty created hitherto, and there will be nobody to help us then.

'Federal Assembly' Election Program Broadcast

LD1012000393

[Editorial Report] Moscow Russian Television Network in Russian at 1545 GMT on 9 December carries the ninth and last "Federal Assembly" program on the 12 December elections, introduced by Georgiy Dolgov. He explains that candidates of the 13 parties are present in the studio, and that each speaker will be given four minutes to say what he wants to the viewers. He points out that the order in which they speak was established by a draw.

First to speak is Sergey Glazyev of the Democratic Party of Russia. He briefly outlines the aims of the party and ways it hopes to achieve its objectives. Movement toward the market economy should not result in economic decline, general poverty, or turning Russia into a "third rate" economy. Glazyev continues: "We do not promise to build a paradise in Russia, but being pragmatic and realistic we believe it is possible to improve the economic situation, even now, and to turn the country back on the road to economic growth." He continues: "We want our voters to judge candidates according to their deeds, according to how they keep their promises and on the results of their work."

Konstantin Frolov of the Dignity and Charity movement offers a brief description of the movement and its aims. He says that the movement unites the most vulnerable social groups and is aimed at protecting them. The movement sees the development and protection of science, education, and culture as a basis for economic development of the country. He calls on viewers to cast their votes for the movement.

Dolgov says that since the Liberal Democratic Party [LDP] leader Vladimir Zhirinovskiy could not be present as he is otherwise engaged on an Ostankino program, Prof. Mikhail Sidorov is present in the studio instead. Sidorov greets the viewers and begins by saying that his party will be holding a "peaceful" rally tomorrow in Aleksandrovskiy Park, "without OMON [Special Purpose Militia Detachment] and without excesses," where the party leaders will meet with the voters. He invites viewers to vote for the LDP list because its candidates have professional experience in most areas of economics, jurisprudence, and social science. LDP has a well-defined economic program. The reform should be gradual. Russia should not be a testing ground for economic and social experiments. Every ordinary Russian should be able to see clearly in what ways he will benefit from the economic reforms. He promises that if his party gets enough seats in the State Duma it will make sure that within the next 3-4 months people will see significant improvements in their standard of living. He begins repeating some promises made by Zhirinovskiy in his speeches, but his four minutes expires.

Mikhail Lapshin of the Agrarian Party says that his party is primarily concerned with protecting the welfare of workers in the agricultural sphere. He criticizes the economic methods of the present government, saying that as a result the people of Russia, and especially its peasants, found themselves much worse off. He continues: "We believe that the reform for which Russia waited so long has become a destructive factor. We should search for new approaches and ways of improving the economy and its agricultural sector." The party has its own ideas to offer the government on how to do this, he states.

Gennadiy Melikyan of the Party of Unity and Accord speaks about economic problems, and says its credo is "Unity of Russia and accord in society." The party supports the reforms. But they should be socially orientated, and they should not be carried out at society's expense, at the expense of the people. Russia is a very large country and reforms should reflect regional differences. Regions should be given powers to carry out their own policies. There should be a good balance of power between the federal center and the components of the Federation, especially in the sphere of fiscal policy. He ends by appealing to viewers: "Vote for common sense, professionalism and accord."

Lubov Lymar, candidate from the Cedar election association, leader of Russian Soldiers' Mothers' movement, talks about its member organizations included in this election bloc and outlines its aims. "Ecology of the environment, ecology of the soul, the conscience, morality, and purity of human relations—this is the Cedar's action program," she says. She calls on viewers to vote for the bloc, saying that its members know at first hand the problems and hardships endured by the Russian people. Protection of the environment and public health, as well as human rights in general, is the primary concern. She continues: "Our state has never violated human rights because it had no human rights."

Igor Yakovenko of the Yavlinskiy-Boldyrev-Lukin bloc begins with a question: "Why do we go to elections? Some people are going for power, those who already have it want to hold on to it. Others believe themselves to be leaders of the people. We do not belong to any of these categories. We are going in order to change the rules of the game, because political games which are played by such rules always end with bloodshed. They say that Russia today has a totalitarian regime. This is not true. What we have in Russia today is autocracy. There is a man who is the source of power, force, and law". He says: "But those who vote for the Yavlinskiy-Boldyrev-Lukin bloc do not want to be subjects of even the most enlightened and progressive autocrat." He continues: "Side by side with the present reformers we have destroyed our totalitarian prison. But from this prison destructive forces have emerged: Our extremely monopolized economy and our militarized ethnic and administrative division of Russia—these are forces directed against Russia. We all understand their danger, but we have completely opposite ideas on how to fight them. We have something to offer. We have Yavlinskiy's economic program. We have Lukin's foreign policy concept; we have the concept of the civil service proposed by Boldyrev. Our bloc represents a wide spectrum of social and political forces. We will not allow the new parliament to go astray and become just another architectural appendage for the presidency."

Yevganiy Shaposhnikov of the Russian Movement for Democratic Reforms says: "Our movement differs from certain parties in that it does not associate its work in the State Duma with fighting for ministerial seats or other posts in the bodies of executive power. We do not rely on populist slogans that are often built on lies and irresponsibility. What we can promise you is to create a legal basis in our state and make it work not only today, but tomorrow and always. In this legal field there should be no place for any form of fascism, extremism of this frenzied populism." He ends by urging: "Do not vote for some promises or slogans, but for people you know well!"

Alevtina Fedulova of the Women of Russia appeals to voters who already support her organization and those who are still thinking about voting for the movement. She says that the movement is not affiliated to any other organization, and that it stands on its own and wants to promote its own course. "Women of Russia will not let you down," she states. They have strength and determination to defend their ideas and promote the policies they believe in. She calls on all the female population, saying that they represent half the electorate, and by voting for the Women of Russia they can influence the future of their country and their children.

Aleksandr Vladislavlev of the Civic Union says: "The Civic Union does not give you impossible promises. But the Civic Union knows how it can continue the reforms that are necessary for Russia without leaving behind poor and destitute people, the skeletons of factories, ruined enterprises, the decline of the educational, scientific, and medical establishments of which we were once proud. The Civic Union has a clear program of action. It is directed against destruction. Its fundamental principle is the revival of industry, prevention of mass unemployment, the maximal support of Russian manufacturers, and the revival of the Russian enterprise and capital." The Civic Union unites people who are involved and connected with industry and production. Their experience is invaluable in making decisions on the state level. He continues: "We do not wish to create an atmosphere of confrontation in the State Duma. We are going there to work hard, in the name of Russia."

Gennadiy Zyuganov of the Communist Party says: "Our renewed Communist Party is the party of working people, those who are used to relying on their work to feed themselves. Today it is profitable to betray—but we did not betray our friends, our allies, our state—our banners still say 'For our Soviet Motherland!' under which commanders of all the Russian regiments are still marching." He continues: "Today it is profitable to lie, but we did not lie, we told the truth. But our opposition newspapers—PRAVDA, SOVETSKAYA ROSSIYA, DEN—the Russian, national and state newspapers were closed down. We do not promise a lot, but will tell you straight away that we will defend to the end the unity of our country, its peace, and prosperity for every household." He ends by saying: "I want you to think very carefully. We are talking about a very responsible choice. Russia is on the brink of an abyss."

Vyacheslav Lashchevskiy of the Future of Russia—New Names, talks about the significance of his speaking between the Communist Party candidate Zyuganov and the next speaker, Anatoliy Chubays of the Russia's Choice. He says that this is because his association is indeed positioned somewhere between these two opposite political parties. He states: "You have heard many promises in the course of the past few months, but it is better to promise less so as to have less disappointment". We want politics not to interfere with people's lives. We should all have optimism. Our catch words are faith, hope, and love—these are the main human values. He ends by saying: "Our association has three slogans: To live without fear, to live well, to be proud of Russia." He wishes voters a happy New Year.

Anatoliy Chubays of the Russia's Choice says that indeed it is very difficult for today's voter to choose between all the parties and, perhaps, they should be guided in their choice not by what is being said but what has already been done. People who represent the Russia's Choice are also members of today's government, and their deeds should speak for themselves. "Yegor Gaydar has been in this government only four months—and inflation which in August was 26-27 percent has now dropped by half." He continues: "The most dangerous will be to drop everything today, to stop midway. The main thing in our bloc's program is no experiments of any kind, no U-turns, no change of course." He says: "One danger I want to mention here is that of extremism and fascism. Unfortunately, these political forces come under very sweet wraps today—which make one recall Germany in the 1920's when the people of Germany themselves handed the power to Hitler. Therefore I should like to appeal to all the democratic blocs—we must unite!"

Dolgov suggests that in the remaining time he will put just one question to all the participants, which is: In the first week after the election, which two laws would they like to propose in the parliament?

Frolov: "Social protection of the most vulnerable groups of the population and amendments to the law on protection of intellectual property."

Sidorov: "Law on taxation, budget and foreign trade."

Lapshin: "Only one law—the Land Law, that it should not be traded, it should belong to the peasants."

Melikyan: "We believe that the main thing is to adopt a normal Civil Code."

Lymar: "Law on responsibility of state for life and health of Russia's citizens and abolishing the law on universal conscription."

Yakovenko: "We should completely reorganize Russia. Our first proposal will be to amend the article on power in the new constitution, and second—a new draft of the law on elections."

Shaposhnikov: "Russian people should be told in what direction the country is going, what the hurdles are, and what the end result will be."

Fedulova: "To introduce amendments in the law on childhood and the law on education."

Vladislavlev: "Taxation and budget laws and measures to protect domestic manufacturers."

Zuganov: "I believe it is extremely important to adopt a decision on the change of course. Because this course is perilous for everybody. Yes, we need the law to change the direction, and we need to work out a new course and a fundamentally new program. And we need to form a government of national trust, which should be given wide powers within a concrete platform and be subordinate to the representational power."

Lashchevskiy: "To begin with, the law on civil service, which will curb the arbitrary and unlimited power of the state officials in Russia policy, and secondly on the new budget, which will consider interests of all the social groups."

Chubays: "First, the law on protection of shareholders, and the law on pensions. These two laws have already been drawn up and are ready to be presented to the State Duma."

Dolgov presents to the participants and the viewers the television crew engaged in making the program series. He says that he wants to round up this last bout by asking the participants to imagine what they would say to a voter at the ballot box? Answers follow the general pattern of: "Think carefully," "show common sense," "think well before you decide." On behalf of the television crew and himself, Dolgov wishes all those present success and good luck on 12 December.

9 Dec 'Election Marathon' Program Aired

LD1012002193

[Editorial Report] Moscow Russian Television Network in Russian at 2035 GMT on 9 December carries a 55-minute "Election Marathon" program featuring party political broadcasts by Russia's Choice, the Russian Movement for Democratic Reforms, and the Agrarian Party of Russia.

The Russia's Choice broadcast mainly features Yegor Gaydar, who appeals for those who had started the reforms to be allowed to continue. He says that the hardest part was already done, and now what is needed most is order and stability. The Russian people must not be taken in by "sweet promises" as it had been in the past, he said. The broadcast also briefly features Ella Pamfilova, talking about the importance of honoring political promises.

The broadcast for the Russian Movement for Demcoratic Reforms features contributions by Popov, Sobchak, Shaposhnikov and Fedorov, who comment on particular aspects of the Movement's policies and appeal for support.

The broadcast for the Agrarian Party of Russia is presented by Aleksandr Zaveryukha, who introduces himself and talks in general terms about the situation in the agricultural sector and the problems it faces, before moving on to his party's election program. He says: "The first thing I would like to do today for agriculture is to give legislative recognition to agricultural production and rural areas, and to make their development a priority; and to construct proper budgetary, credit, tax, and price policies. Today this is the prerogative of the lawmakers. So it is a matter of importance to us who will be tackling these issues in the legislative body on the agrarians' behalf, and what understanding all deputies in the State Duma have in general of the problems of the agro-industrial complex."

Zaveryukha says that the Agrarian Party did not claim to represent the president, the opposition, nor the government. "Today the Agrarian Party bloc could be a basis for uniting in the future parliament all healthy forces concerned for the future of the fatherland," he says.

Among other policies being put forward by the Agrarian Party, Zaveryukha names the implementation of state programs to support the agro-industrial complex; the development of all forms of ownership in rural areas; economic liberty for agricultural producers; and rational privatization of food-processing enterprises.

'Word to the Voter' Program Carries Ads

LD1012005693

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1855 GMT on 9 December carries the "Word to the Voter Program" featuring prepaid spots by Russia's Choice, the Civic Union, the Russian Party of Unity and Accord, and the Liberal Democratic Party.

The program begins with a four-minute demonstration video explaining the voting procedure.

Correspondent Dmitriy Radzikhovskiy is then shown interviewing Russia's Choice candidates Yegor Gaydar, Ella Pamfilova, and Sergey Kovalev.

Gaydar says he cannot lure voters by giving them false promises. He says: "I do not want to give promises. It would be dishonest. One should face the truth. Russia has just begun to put itself together." He goes on to explain why economic reforms had such a rough ride under the previous governments, restricted by the then-existing parliament and the obsolete administrative structures.

Pamfilova says that the resistance to changes—and the lack of support for her party in official circles—is understandable: Many officials know that they will not be able to cover up their corrupt practices under the new system.

Gaydar agrees that the most difficult task will be to deprive the officials of their previous rights to grant and distribute privileges and favors: their raison d'etre. He explains that it will be possible to fight inflation and stabilize the economy if the government is allowed to function normally.

Kovalev, who is chairman of the Human Rights Commission and a Russia's Choice candidate, then says political responsibility means that politicians should be realists, first and foremost.

Gaydar says he is convinced that Russia has already acquired immunity from political lies; the public is capable of distinguishing between false promises and reality.

Pamfilova says: "I will never agree that politics is a dirty job. All depends on the people who are engaged in it."

Gaydar says he is absolutely convinced that the present government is capable of putting the Russian economy on the right track. He says that Russia can become a rich and prosperous country, but this cannot happen too soon and there can be no miracles.

Kovalev concludes by saying that populist promises are not necessarily the way to woo voters.

A promotional video by the Civic Union is then shown. The slogan on the screen reads: "Volskiy and Vladislavlev: The First Among Equals". Volskiy talks about his party's goals. He says: "We cannot give such promises as other contenders do. We should proceed from the understanding that our economic and social ills are not something that has been inflicted on us by some external enemies but were created by ourselves. We should put them right ourselves. All I can promise is that the Civic Union will not make foolish decisions. We will work normally, like sensible people."

Volskiy's remarks are interspersed with slogans: "No to New Economic Shocks"; "Creation, Not Destruction," "The Unlimited Power of Officials Means Death for Russia." He discusses the unlimited privileges and perks enjoyed by the ever-growing army of officials and the need to put an end to ethnic strife. He also discusses economic problems and the inability of the present government to deal with them.

A promotional video by the Party of Russian Unity and Accord is then shown, which begins with: "Shakhray's party promises only what it can deliver. Only Shakhray's party does not conceal its incomes. The future of Russia belongs to wise and honest people. Vote for Shakhray's party!" A song by popular singer Alla Pugacheva follows. The video shows Shakhray campaigning in various Russian cities. He is shown saying that his party will be strict about its deputies' loyalty and about party discipline. He says a candidate elected to the Duma who votes in contradiction to the party's political platform will be recalled. Shakhray is shown in a variety of locations, talking to parents and attending a concert organized in his honor by university students.

The Liberal Democratic Party video begins with a segment of a song: "Ah, Vladimir Volfovich!" Vladimir Zhirinovskiy is in the studio and says that this is his last television address and invites people to his rally tomorrow. He thanks many supporters who sent donations and material support to the party. He says: "Citizens of Russia! December 12 is not just a day of elections for the new parliament; it is the 22 June of 1941. We will either change the situation, or it will continue to deteriorate. We do not campaign either for or against the Constitution. It is up to you to decide. This question worries us least of all."

Zhirinovskiy continues: "We are against the restoration of the USSR; we are against the CIS. All this is directed against Russians. We support restoration of the strong democratic Russian state within its traditional borders, but these borders will be restored only by peaceful means, without bloodshed."

Zhirinovskiy touches on issues with regard to ethnic groups, women, the military, young people, and pensioners. To pensioners, Zhirinovskiy says: "We can restore your savings. There are means for this. They lie to you by saying that there is no money. They did not ask us when they were stealing from us. Now when they are told to restore the savings they say there is no money! There is money. They are our resources—our new foreign trade."

Zhirinovskiy discusses Russians living outside Russia and what can be done to protect them and also ways to halt crime within Russia.

He concludes: "In order to begin a real improvement in the people's lives, a new political force is needed. There is only one such force among the nine political parties: It is the Liberal Democratic Party. Do not make a mistake. Help us."

Political Issues

Commentary on Prospects for New Parliament

LD0912171693 Moscow ITAR-TASS in English 1518 GMT 9 Dec 93

[Commentary by correspondent Lyudmila Yermakova: "Will Russia's New Parliament be Professional?"]

[Text] Moscow December 9 TASS—The draft constitution of the Russian Federation says that the deputies of the State Duma "shall work on a professional and permanent basis." However, it is hard to say as yet what the new parliament will be like. Nevertheless, many politicians and candidates for seats in the Federal Assembly are concerned about its possible composition.

For example, Nikolay Medvedev, head of the department for work with regions of the Russian presidential administration, who is running for the Federation Council, believes that "a professional level of the candidates is not much higher than that of the deputies of the disbanded Supreme Soviet."

However, Aleksandr Ivanchenko, deputy chairman of the Central Electoral Commission, is confident that "Russia has never known such a wide range of professionally fit and experienced candidates." At the same time, he regretted that professional lawyers account for only two per cent of the total.

Over 20 per cent of candidates to the State Duma, the lower house of the new parliament, are representatives of executive bodies—members of the government and heads of regional administrations. There are twice as many of them among the candidates to the Federation Council, the upper house of the new parliament.

"Of course the old Soviet idea of lawmakers' professionalism does not correspond to the experience accumulated in parliamentary countries," Aleksey Mitskevich, head of the expert group working out procedural regulations for the State Duma, said in an exclusive interview with ITAR-TASS. "Moreover, we did not even have such a concept as 'parliament'. The Supreme Soviet in the communist past was in fact a machine for a unanimous adoption of laws prepared by the party apparatus," he said.

The Congresses of People's Deputies brought to life by perestroyka slightly changed the situation but not radically enough to enable one to speak about professional parliamentarism in Russia, Mitskevich stressed. Britain needed several centuries for this, but Russia "will have to do this much faster." "The layer of professional politicians is already beginning to shape up in Russia," he added.

It is world practice that the professionalism of a parliament depends primarily on the number of politicians working in it and secondly, on their social background. The majority of parliaments consist of lawyers, economists and people engaged in other jobs connected with management. Mitskevich believes that many deputies of the former Soviet and Russian parliaments who worked on a permanent basis have acquired the experience of management and parliamentary ethics, as well as knowledge in various spheres. More than 400 of former deputies are taking part in the election race. Many of them work in the Russian president's administration and the government's apparatus, scientific and public organisations. He referred to Ella Pamfilova, social welfare minister, to exemplify his point. Pamfilova made her way up to the former Soviet parliament without having any political experience, but she "had the ability and willingness to become a professional," he added.

The vigorous political campaign in the centre and Russian regions and the activity of political parties and blocs are also a good school of experience and knowledge, Mitskevich pointed out. Management experience and deep knowledge shown by the heads of the subjects of the Federation and big industrialists will help them and their colleagues gradually acquire parliamentary professionalism, he said.

Post-Election Parliament Prospects Viewed

PM0912125193 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Dec 93 p 1

[Article by Ravil Zaripov: "Mine Ticking Under Parliament"]

[Text] And so, for the first time in over 70 years elections to the Russian parliament are on a multiparty basis. But we do not feel like celebrating. No one intends to throw their hats, fur caps, or miners' helmets in the air. About half the voters do not intend to "give their votes" at all—at least that is what the results of recent polls say. The Kremlin is undoubtedly concerned at this situation, hence the emergency measures. The Central Electoral Commission is issuing up to 50 million rubles to the election blocs for agitation. The government is urgently returning back wages to workers in the budget-funded sector. Finally the president is almost doubling the minimum wage, backdated to 1 December, and is increasing grants. But will all this help to return trust in the actual idea of parliamentarianism—after the lengthy squabbles and after the tank cannonade?

The results will also be affected by the brief duration of the election campaign. It is hard to sort out the candidates for single-seat districts. They are similar in one thing: They are severely criticizing the government, which of itself is not new. Representatives of the election blocs are also for a good life. Their campaigning ultimately comes down to a simple formula—it is better with us and worse with them.

It is obvious that **those who go to the ballot boxes will mostly vote not for programs and blocs but for the personality of the leader for whom they have retained at least some sympathy.**

Election campaigning is reminiscent of a powerful floodlight. It not only blinds the man in the street with promises of a better life. It reveals new, hitherto concealed, turns in Russian politics. "Everyone talks but he acts" is what you read under the post photograph of Yegor Timurovich. But what about Prime Minister Chernomyrdin? Vice Premiers Shakhray and Shokhin have organized a separate electoral bloc and are distancing themselves from the Gaydar-Fedorov concept for stabilizing the economy. Vice Premier Zaveryukha is lobbying for the program of the Agrarian Party, which advocates preferential credits and budget financing for the countryside. A curious situation has taken shape. **Even before the elections we have acquired a coalition government!**

Evidently none of the electoral blocs will obtain an obvious advantage. The winner could collect about 20 percent of voters' votes. We are faced with the prospect of the grouping of blocs according to interests, a struggle for seats in the State Duma leadership.

The situation with regard to the draft of the new Constitution is even more confused. One conclusion is obvious. Boris Yeltsin and his immediate entourage from his administration are more concerned with the results of the referendum than the vote to the Federal Assembly. That is borne out by the events of recent weeks. The president's instruction—"do not touch the Constitution!"—has been transformed into the cry of Vice Premier Shumeyko. That, of course, is not a cry of strength and certainty. Shumeyko has obviously done a disservice to his electoral bloc since he has given rise to a concerted protest from all its opponents.

As for the voter, it is in general difficult for him to "touch" the Constitution. Many Russians have simply not read the draft. And that means that they are again voting on the principle of "for" or "against" Yeltsin. Yet everything is far more complex. It is known that the president acquires great power, he can dissolve the State Duma, while it is extraordinarily difficult to impeach the president himself. It is curious that the supporters of the immediate adoption of the Constitution include both Vladimir Zhirinovskiy and Anatoliy Sobchak—neither is concealing his claims with regard to the future presidential elections. The "Russia's Choice" and Party of Russian Unity and Accord blocs support the draft Constitution with reservations. The open opponents of the draft include Yavlinskiy's bloc, the Democratic Party of Russia, and the Russian Federation Communist Party.

It is obvious that the results of the vote on the referendum will largely determine Boris Yeltsin's final position regarding early presidential elections. Something else can also be understood. **If he fails at the referendum the Federal Assembly's positions are considerably strengthened.** And then it will be impossible to avoid a new conflict between the branches of power.

However that may be, the president will have to alter his tactics for mutual relations with the legislators. Will this mean regular visits to the Federal Assembly or will the president create within the apparatus a new intermediate structure to collaborate with the parliamentarians? It is for him to decide. The distancing from parliament should be replaced by joint painstaking work with the deputies. To avoid hearing the tanks' cannonade outside the window.

Conflict Seen Possible in Federation Council Seat

MK0912141093 Moscow SEGODNYA in Russian 9 Dec 93 p 2

[Vladimir Todres report under the "Expulsion" rubric: "Future Federation Council Building Will Be Expensive. Its Current Inhabitants Do Not Want To Go"]

[Text] Firms leasing office space at the House of the Russian Press will demand a penalty of around 50 billion rubles if they are forced to leave, Gennadiy Musayelyan, general director of the house, said. According to his information, a number of foreign leaseholders intend to file lawsuits in Stockholm, not in Russia, which means that the Russian side's costs will be even greater.

As soon as rumors emerged about locating the future Council of the Federation at the building at Pushkinskaya Street, 26, it became clear that a scandal could not be avoided: Businessmen are refusing to see Yeltsin's "force majeure" edict as a manifestation of the will of God. Businessmen lease around 1,500 square meters of office space at the House of the Russian Press, which, albeit on the balance sheet of the Federal Information Center, has from the outset gained economic independence from the latter. Yuriy Pyshkin, the House's deputy general director, claims that they "have not taken a ruble from the budget."

According to Mr. Musayelyan, the House has been using proceeds from leasing office space and its own commercial activity to give shelter to "young, independent, and poor" newspapers effectively free of charge. A total of 3,500 square meters at the House have been occupied by 35 editorial boards, including VOYSKOVOY KRUG, GLAGOL, GOLOS, MOSKVICHKA, and so forth.

The board of directors insists that "currently there is such a shortage of money that there are problems with meeting the payroll" and there will be definitely not enough money to pay a fine. The actual status of the House's accounts could not be checked, but it is unclear why the House has to pay for the consequences of a presidential edict at all. However, according to Mr. Musayelyan, "it is clear that the authorities will not pay anything, either."

Journalists inhabiting the House believe that the vengeful apparatchiks from Boris Yeltsin's entourage are deliberately attacking "the cradle of Russian democracy and the freedom of the press." Apparently, the small and little-known publications somewhat overestimate their importance as possible targets. No doubt, the authorities simply did not take the trouble to recall their existence. But the reasons for housing the "House of the Lords" on Pushkinskaya still remain dark for most our colleagues. The enlightened, but superstitious current rulers appear to be afraid of the specter of the Intransigent Opposition Member roaming around the White House.

Lowest Grade Government Personnel Given Pay Raise

PM0912130393 Moscow ROSSIYSKIYE VESTI in Russian 9 Dec 93 p 1

[Decree No. 1268 of the Russian Council of Ministers-Government "On Raising the Monthly Wage Rate (Salary) of Category 1 of the Unified Wage Scale for Budget-Funded Personnel"; signed by V. Chernomyrdin, chairman of the Russian Council of Ministers-Government in Moscow on 7 December]

[Text] The Council of Ministers-Government of the Russian Federation decrees that:

1. A monthly wage rate (salary) of 16,000 rubles shall be fixed for Category 1 of the Unified Wage Scale for budget-funded personnel.

2. The Ministry of Finance of the Russian Federation shall determine the procedure and sources of funding for expenditure associated with the implementation of the measures envisaged by this decree.

[Signed] V. Chernomyrdin, chairman of the Council of Ministers-Government of the Russian Federation

Media Issues

PRAVDA Returns to Newsstands 10 Dec

PM0912205593

[Editorial Report] The 10 December PRAVDA is the first to be received since the 19 November edition. A front-page message to readers apologizes for the paper's "enforced silence," explaining that "this time nobody shut us down directly, we simply had our oxygen supply cut off, and for almost three weeks typesetting machines in the printing plant were idle and the skillful hands of compositors were left with nothing to do." The message notes that "the publication of this edition of the newspaper has been possible thanks to the support of PRAVDA's friends," which may explain the legend "Special Edition" included in the otherwise unchanged masthead. The back-page personnel listing still identifies V.A. Linnik as chief editor, but the editorial collegium is now listed as "Yu.V. Glukhov, A.A. Ilyin (deputy chief editor), B.M. Orekhov, V.M. Potapov, V.P. Ryashin (executive secretary), G.N. Seleznev, B.F. Slavin, V.V. Trushkov, and V.P. Chernyshev."

Central Television To Relinquish 3 of 4 Channels

OW1012030293 Moscow Ostankino Television First Channel and Orbita Networks in Russian 1945 GMT 9 Dec 93

[From the "Utro" program]

[Text] The RUSSIAN INFORMATION AGENCY has learned that the republic's Ministry of Press and Mass Information has prepared a draft edict on the reorganization of Central Television. According to this document three of the four television channels, including the Moscow Channel, will be turned over to independent structures and only one will remain a state channel. The agency learned this from Oleg Yusetskov, deputy minister of the press.

Channels To Go 'Commercial'

MK1012101093 Moscow NEZAVISIMAYA GAZETA in Russian 10 Dec 93 p 2

[Unattributed report under the "In Brief" rubric]

[Text] Moscow—A Russian Federation Ministry of Press and Information draft edict on a reorganization of Central Television calls for leaving only one state-run channel. This was advised yesterday by Oleg Yusetskov, deputy minister of press and information. "Three out of the four channels, including the Moscow channel, will be turned over to commercial structures," Yusetskov said. He also advised that some 700 independent television and radio companies had sprung up in Russia over the past two years.

Merger of FIC, Press Ministry Eyed

MK1012100093 Moscow NEZAVISIMAYA GAZETA in Russian 10 Dec 93 p 2

[Unattributed report under the "In Brief" rubric]

[Text] Moscow—"The question of a possible merger of the Federal Information Center [FIC] and the Russian Federation Ministry of Press and Information will be examined after 12 December when the alignment of political forces becomes clear," said Oleg Yusetskov, deputy minister of press and information. There is still no single document on the matter, while two versions of it are up for Boris Yeltsin's signature: one from Mikhail Poltoranin, the other from Vladimir Shumeyko. Yusetskov described the chances of both as equal. "All will depend on how aides and interested persons work," the deputy minister of press and information noted.

Poltoranin Accused of Lying

MK1012105093 Moscow NEZAVISIMAYA GAZETA in Russian 10 Dec 93 p 2

[Unattributed report in the "In Brief" column]

[Text] Moscow—POSTFACTUM's correspondent has asked S. Zverev, deputy director of the MOST group, to comment on an interview with M. Poltoranin published in KOMSOMOLSKAYA PRAVDA. Sergey Zverev said: "By stating that the Russian Federation president's Edict 1975, On Operating TV Channel 8 (Moscow), was prepared in secrecy, Mikhail Poltoranin has told another lie—but this time there is not even a need to catch him red-handed citing our personal discussion of the draft edict. He disproves himself when he says that he refused to endorse the edict, in contrast to a whole number of Russian Government members." As for Mikhail Poltoranin's words about the MOST group's financial situation, Zverev did not comment, noting that this will be a subject for a legal suit by MOST against the Federal Information Center chief.

Economic Issues

Government Discusses Economic 'Demonopolization'

Monopolies, Communications, Tax Issues

LD0912132093 Moscow Russian Television Network in Russian 1100 GMT 9 Dec 93

[From the "Vesti" program]

[Text] Today's sitting of the presidium of the Russian Government dealt with demonopolization of the entire Russian economy and, more specifically, of the communications sphere.

Also, matters relating to the taxation of legal persons were discussed. A draft decree proposed by the president suggests replacing the one-tier tax system with a two-tier system. In accordance with the draft, enterprises and organizations will pay about 13 percent of their taxes into the republican budget and up to 30 percent into the local budget. A number of Russian Federation laws on taxation are being abrogated. The draft decree relieves banks from paying tax on the profits they receive from giving long- term credits to enterprises for capital investment.

Members of the presidium were also scheduled today to discuss a draft decree of the president on the taxation of physical persons—that is, of you and me—which provides, among other things, for raising 1-3 million rubles, the annual income threshold, after which progressively scaled tax is imposed. However, it was decided to postpone this question until another sitting of the government's presidium.

'Demonopolization' Plan Approved

LD0912183393 Moscow INTERFAX in English 1425 GMT 9 Dec 93

[Text] On Wednesday [8 December], the Russian Cabinet's presidium, chaired by Acting Prime Minister Oleg Soskovets, approved the state program for the demonopolization of the economy. The speakers stated that there are from 35 to 400 major concerns operating on the Russian market, most of which are monopolists. At the regional level there are about 1,200 concerns of this kind. The main goal of demonopolization is to lower the concentration of production and demonopolize the Russian markets of priority goods.

The draft program says that price regulation will only affect the output manufactured by "natural and state monopolists," while regulation of prices for the output of temporary monopolists will be the prerogative of the government.

The document contains new rules for taxing individuals. According to them, the size of the aggregate tax levied from an individual during the year will amount to 12%, if his income did not exceed 5 Mn [million] rubles. If ones income did not exceed 10 Mn rubles, one will have to pay a tax of 600,000 rubles on the income of 5 Mn rubles plus 20% for the sum exceeding this mark. With an income from 10 Mn to 30 Mn rubles, the tax will amount to 1.6 Mn rubles plus 30% of the sum exceeding 10 Mn rubles. If an income is over 30 Mn rubles, the tax will stand at 7.7 Mn rubles plus 40% of the sum exceeding 30 Mn rubles.

The draft program also envisages privileges for individual categories of citizens, among them participants in the clean-up operations in Chernobyl and victims of radioactive contamination on the production amalgamation Mayak (Chelyabinsk region.)

The draft program will be finalized on Thursday and submitted to the president for approval on Friday, December 10.

After the session, Oleg Soskovets told journalists, while assessing the current economic situation, that the problem of non- payments was particularly serious in Russia because it could bring industrial production to a halt.

Further on Cabinet Decision

LD0912172993 Moscow ITAR-TASS in English 1439 GMT 9 Dec 93

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow December 9 TASS—The draft state programme of demonopolisation of Russia's economy was on the whole endorsed by the presidium of the Russian Council of Ministers at its meeting on Thursday. Supplements and amendments suggested during the debate on Thursday are to be advanced within a fortnight.

Presenting the document, Leonid Bochin, chairman of the Russian state committee for antimonopoly policy and support for new economic structures, said the programme is aimed at changing market structures of markets formed in the Russian economy. He cited the data indicating that some 400 monopolies now function in the market at the federal level and as many as 1,200 at regional level. "The programme of demonopolisation will be applied to them first of all", he said.

The programme sets out priorities of demonopolisation for 1994-1995. They include the creation of the legal and organisational base of state control and regulation of the activity of subjects of natural and state monopoly; the implementation of priority measures to demonopolise socially-important economic complex such as trade, construction, communications, transport, except for railways; the state monitoring of the privatisation process; the clearing of economic and administrative barriers to free transfer of goods, services and capital in the Russian market; the lowering of financial, economic, organisational and legal barriers to the entry of competitive structures to the market.

Some of the participants in the debate stated the need for a more detailed working out of specific measures of demonopolisation in various areas of the economy. Deputy Premier Boris Fedorov said that in view of the aims and nature of the programme, as well as taking into account world experience, it would be more appropriate to describe the programme as that of creating a competitive environment in the Russian economy rather than as the demonopolisation programme. This proposal was supported by First Deputy Premier Oleg Soskovets who presided over the meeting on Thursday.

The presidium meeting also discussed the programme of measures for the demonopolisation of the communications industry for 1993 and subsequent years. In this areas it is planned to create the mechanism of control over the activity in communications area, to prepare legislative ensurance of demonopolisation, to work out a system of regulations of the activity of subjects having the dominant position in the markets of services, and monopolist enterprises. To create competitive media and fill the market with communications services it is planned to create a mechanism of attraching investment and enhancing the efficiency of their use, as well as to conduct a protectionist tax and crediting policies.

Further on Antimonopoly Program

PM1012093993 Moscow ROSSIYSKIYE VESTI in Russian 10 Dec 93 p 1

[Vladimir Khrustov report: "Government Examines Program for Economy's Demonopolization"]

[Text] The state program for the demonopolization of the Russian Federation economy was the key item on the agenda of the Russian Federation Council of Ministers-Government Presidium session chaired by First Vice Premier Oleg Soskovets and held at Staraya Ploshchad 9 December.

Presenting the draft program elaborated by the Russian Federation State Committee for Antimonopoly Policy and Support of New Economic Structures, Committee Chairman Leonid Bochin briefly dwelt on the main avenues and priority measures for the demonopolization of the country's economy.

The state program for the demonopolization of the Russian Federation economy, he noted, was elaborated with due consideration for the specific features of the transitional period and the analysis of the development trends and organizational forms of monopoly operations by economic entities on the republican and local commodity markets.

Active antimonopoly policy could be pursued along several central avenues. The lifting of economic and other barriers blocking the path of the free movement of commodities in the Russian market. The elimination of monopolism associated with the activity of various concerns, groups, and associations which have developed on the base of former administrative structures (ministries, main administrations, trusts). The creation of financial-industrial groups ruling out any market monopoly. The consideration of antimonopoly requirements in the course of privatization and when rendering state assistance to enterprises.

The existence of a competitive market environment, Leonid Bochin emphasized, is a necessary condition for the effectiveness of economic reforms in Russia. This is why the entire program is aimed at changing the monopoly market structure prevailing in the Russian economy. Hence the main objective of demonopolization in 1994-1995 is to reduce the concentration of production and demonopolize markets for the priority groups of commodities, works, and services.

The creation of a Council for the Demonopolization of the Russian Federation Economy was proposed at the Council of Ministers Presidium session.

The session examined the draft presidential edict "On Regulating Certain Questions Concerning the Taxation of Natural Persons," which was presented by Sergey Dubinin, Russian Federation first deputy minister of finance. The consideration of a corresponding draft presidential edict concerning the taxation of legal persons was postponed. It is scheduled to be examined next week.

Details on Income Tax Changes

PM1012101193 Moscow IZVESTIYA in Russian 10 Dec 93 First Edition p 2

[Ivan Zhagel report: "Council of Minister Alleviates Tax Burden on Citizens in Difficult Economic Situation"]

[Text] A sitting of the Russian Council of Ministers Presidium 9 December examined the question of raising the threshold for citizens' gross annual income taxable at the bottom rate.

As is well known, until now the threshold on Russian citizens' gross annual income taxed at the bottom rate of 12 percent was set at 1 million rubles [R]. Annual income between R1 million and R2 million was taxed at 20 percent, and income over R3 million at 30 percent. However, these thresholds clearly no longer match existing realities today. Inflationary processes have brought about a rapid increase in wages in practically all sectors of the economy.

It is easy to see that retention of the former gross income thresholds would have been a painful blow to the financial interests of many Russian citizens. And in this case it was a matter not only of businessmen and bankers, but also of oil industry workers, miners, and skilled specialists in many sectors of economic activity. For this reason the Russian Ministry of Finance submitted a proposal to the government on raising the gross income thresholds: tax of 12 percent on income up to R3 million, tax of 20 percent on income from R3 million to R6 million, and tax of 30 percent from R6 million. And this proposal was approved.

Interestingly, according to information we have received, at the Council of Ministers Presidium sitting Labor Minister G. Melikyan, a member of the PRUA [Party of Russian Unity and Accord] association, advocated amending the proposals from the Ministry of Finance. Specifically, he suggested raising the threshold for citizens' gross annual income taxed at the bottom rate not to R3 million but to R2 million.

Furthermore, presumably the government's decision will also evoke criticism from more diehard oppositionists. The accusations will probably be based on the fact that budget revenue will decline in a grave financial situation.

The question of "restoring principles of social justice" in the country will naturally be raised. However, something else is also obvious: The raising of the threshold for Russian citizens' gross annual income taxed at the bottom rate is an important element in implementing the reforms and in introducing into our life market principles of economic activity, which presuppose incentives for efficient work.

On the other hand, the Ministry of Finance is also proposing to introduce in 1994 "steeper" taxes on extremely high incomes—such taxes generally exist in most developed countries. Specifically, the tax system could be as follows: 12 percent on income up to R5 million, 20 percent on income of R5 million to R10 million, 30 percent on income over R10 million, and 40 or maybe 50 percent at some point on income over R15 million.

There has also been very lively discussion in the mass media lately of the question of possibly introducing a 15 percent tax on citizens income from their personal deposits in banks. But at this sitting of the Council of Ministers Presidium Vice Premiers Ye. Gaydar and B. Fedorov categorically opposed this proposal. We are all probably safe from the new 15 percent tax in the immediate future.

Energy Sector's Financial Plight Examined

PM0912135393 Moscow ROSSIYSKIYE VESTI in Russian 7 Dec 93 p 3

[Nikolay Myakinnik report: "Specter of Market Amid the Pastels of Inflation. Contrary to Market's Golden Rule 'Pay for Everything!', Nonpayments to Power Generation Workers Have Reached 6.5 Trillion Rubles"]

[Text] The transitional period is full of contrast. The richest sector in the economy—the fuel and energy complex—has become impoverished. This means that in the near future many more collectives of drilling personnel, fitters, pipe layers, and road builders will quit areas of exploration and extraction. Thus, power generation installations of vital importance to the country—mines and power station units—will not be commissioned. And there are dozens of them listed as scheduled for completion during this quarter and the first quarter of next year—the "Beltsevskaya" mine in Tula Oblast, the "Bachatskiy" pit in Kemerovo Oblast, the Kolyma hydroelectric power station in Magadan Oblast, the Kharanor GRES [state regional electric power station] in Chita Oblast, the Gusinoozersk GRES in Buryatia, the Kyzyl Central Electric Power Station in Tuva, the Kalinin and Kostroma nuclear electric power stations.... Well, conditions are now dictated by the market and inflation.

Owing to the Russian Government's consistent course of financial stabilization, inflation can be expected to drop to 10 percent a month next year. How? Largely by curbing centralized credits. Among the other government decisions that may considerably improve the economic climate in the country, B. Fedorov, vice premier and finance minister, recently spoke of the move to abandon reciprocal offsetting of enterprises' arrears and swell working capital by issuing money, raise the Central Bank interest rate, abolish preferential credits, liberalize bread prices, and finally tighten up tax policy.

A determined and, by all indications, correct and careful proposal. The only important point is that these measures should be understood and implemented by the people to whom they are directed. Otherwise macroeconomic decisions will just end up as a superficial mantle—without filling microeconomic elements with a solid core.

But what if it is a question of such, to put it figuratively, microgiants as for instance the oil and gas or the whole fuel and energy complex? Failure to persuade their workers of the irreversibility and correctness of the adopted decisions is tantamount to cutting off the bough from beneath you, from beneath the country's finances to a considerable extent. Suffice it to say that the fuel and energy complex, producing 10 percent of the country's output and absorbing 20 percent of all capital investment in industry as it does, provides over 60 percent of the budget's hard currency revenue. However, things in the sector are steadily deteriorating; extraction of oil and gas condensate is constantly dropping as is gasoline production. If that continues, Yu. Shafranik, minister of fuel and energy, thinks that oilmen will be be able to supply only Russian consumers of their crude. But that is precisely how things are continuing.

In a word the situation remains extremely complex. Electricity generating and fuel industry enterprises are on the verge of financial collapse. Customers' deferred arrears are already measured in trillions of rubles [R]. But here is the paradox: It is with the development of market relations, when this figure has struck a highly painful nerve, that it has been excluded from statistics.

Similar "maneuvers" are in particular also giving rise to somewhat illusory assessments —instead of reliable facts. We will not mention experts' estimates for this reason here. As for the total amount of statistically recorded indebtedness to the complex, it has almost quadrupled this year to total R6.5 trillion. The country can live on that kind of money for six months. So, consequently, you have a financial and industrial giant reduced to microlevel.

Whereas the rule "Pay for everything!" can be considered a distinguishing trait of the market, given the chronic catastrophic reciprocal nonpayments within both Russia and the Commonwealth the specter of the market is hardly discernible amid the pastels of inflation.

All these disparities will probably result in oilmen and power generation personnel failing to understand Fedorov's proposal. And what can be said about a policy that they do not understand? For all its theoretical validity it remains illusory and has no other means of being put into effect other than by force.

Is there a solution to the prevailing situation? The Union of Oil Industry Workers sought a solution in conjunction with scientists from the Institute of Market Problems. The upshot was that specific proposals were formulated for the government. Academician N. Petrakov summarizes them as follows. First, credit must be allocated for consumers of oil and petroleum products, targeted to make payments down the whole production chain from the customer to the oil extraction unit. It is advisable to partially pay off oil complex enterprises' budget arrears by reciprocal settlements with enterprises that make state deliveries and owe money to producers of oil and petroleum products.

I think that an attempt to reflect the real economic situation in political (in terms of scale) decisions can be glimpsed even in this brief summary. It is precisely the flexibility of the tactics that may help it to be correctly perceived at various levels of management and by labor collectives.

The stance espoused by the Union of Oil Industry Workers, bolstered by the opinion of the Russian Academy of Sciences' Institute of Market Problems, as it were takes the issue beyond the departmental framework.

Needless to say, the interests of the fuel and energy complex as such and ways of extricating it from crisis have after all been represented by the Fuel and Energy Ministry and submitted in accordance with the appropriate procedure to the Finance Ministry and the government. But a common language has not as yet been found.

Let us go back to the beginning of the discussion. The fuel and energy complex's main financial difficulties are to do with nonpayments. "We have long since shown," Anatoliy Kozyrev, deputy minister of fuel and energy, said, "that were it not for problems of arrears to the fuel and energy complex, there would be no problems as regards financial support for both the running and the development of the complex's sectors."

The nonpayment problem has been allowed to develop so unchecked that there are obviously no easy fast ways of resolving it. Fuel and Energy Ministry specialists have their own view of a feasible solution to the situation and it deserves to be discussed separately. But today power generation personnel cannot avoid enlisting credit.

It is being said at great length that the fuel and energy complex extorts a tremendous amount of credit and thus causes inflation to escalate. One can hardly agree with that. After all, the complex takes up no more than 20-30 percent of all credit now allocated to the national economy. Of course, this situation does promote inflation, but the Ministry of Fuel and Energy believes that it does so not via credit, but via high discount rates. After all, this is all translated into prices of output.

It is important to note that power generation personnel by no means count on the role of parasites. They are able to repay their debts. Analysis shows that if the state, hard as things are for it now, found a way of allocating R400 billion in credit to help the fuel and energy complex and ensure the commissioning of power generation capacities, next year the debts would be repaid with interest. Newly commissioned installations alone will enable power generation personnel to pay R700 billion in profits tax into the budget. What is more, they would receive around $200 million from exports.

Thinking in a state-minded way means considering all the realities and gearing oneself strictly to the result.

Main Export Sector Could Collapse

PM1012112993 Moscow ROSSIYSKIYE VESTI in Russian 9 Dec 93 p 1

[Petr Gorev report: "Oilmen Owed 2 Trillion By Customers. Session of Commission on Operational Questions"]

[Text] If he can avoid paying for goods and nothing happens as a result, no Russian manager will rush to part with his money. But if the supplier of a commodity is simply unable to stop production for technological reasons, his position becomes utterly desperate.

That is the situation which has developed today in the country's fuel and energy complex. Since the beginning of the year customers' huge nonpayments to the sector have quintupled to total 2 trillion rubles [R]. Virtually no payments have been made for crude extracted in the last three months. And our near neighbors' debts to the fuel and energy complex have topped R366 billion. Kazakhstan clearly heads the list with debts of R155 billion. Nor have payments been made for petroleum products dispatched by decision of local and federal authorities to bring in the harvest and to regions of the Far North.

On the other hand, owing to lack of effective demand oil refineries have accumulated excess output, forcing them to shut down wells on the oilfields. The upshot is that 5,000-6,000 wells a day are forced to stand idle and the country is failing to receive around 20 million tonnes of oil.

All these grim figures and facts cited by Fuel and Energy Minister Yuriy Shafranik at a session of the government's Commission on Operational Questions, illustrate one thing: If emergency measures are not taken, Russia's main export sector will be brought to its knees.

After a lengthy, comprehensive discussion of the problem, at commission chairman Oleg Soskovets' suggestion, it was decided to hold another session on this question Friday. However, it can be said even now that a 30-percent reduction in deliveries lies in store for those enterprises that are receiving petroleum products but are unable to pay for them.

Finance, Related Oil Problems Aired

PM1012124593 Moscow ROSSIYSKAYA GAZETA in Russian 9 Dec 93 First Edition p 1

[Aleksandr Golyayev report: "Oil Workers Reduced to Poverty—They Are Owed Two Trillion"]

[Text] In the first 11 months of this year oil extraction was almost 50 million tonnes down on last year. Customers' debt had risen to 2 trillion rubles [R], R366 billion of it owed by CIS countries. The oil industry has received virtually nothing for the fuel dispatched for harvesting work to the Far North and for other purposes in response to decisions from the federal and regional organs of power.

These depressing figures were announced by Yuriy Shafranik, the leader of the Fuel and Energy Ministry, at the latest session of the government commission on current issues.

The insolvency of consumers has had a knock-on effect for oil-refining enterprises. They are overstocked because there is no demand for their oil. This in turn is bringing 5,000-7,000 wells a day to a halt. Already around 20 million tonnes of crude oil have not been extracted. It will take tremendous efforts and resources to restart just one of the wells. The problem is aggravated by the fact that since November oil industry enterprises have been unable to pay wages or make urgent payments because all the money paid into their accounts is going into the budget. This has become a heavy burden on a sector where taxation accounts for around 80 percent of the price of oil. The bad weather is an added factor: In ports on the Black Sea export operations are being disrupted—the debt increased to almost 4 million tonnes in October-November alone.

Meanwhile the flotation of oil enterprises is proceeding very sluggishly, the problem of reducing export duty rates remains unresolved, and the procedure governing the exploitation of deposits still needs to be clarified....

"What do you suggest?" first vice premier Oleg Soskovets said several times to speakers expressing their sympathy for the oilmen. Most often the answer was nothing but an echo. Viktor Bogdanov, president of "Surgutneftegaz," tried to put his view of the solution in quite stark terms. He demanded, and there is no other word for it, the adoption of urgent measures to save the sector. In his opinion, it is necessary to protect state-owned extracting enterprises, which could be replaced by the rapidly multiplying joint ventures—they are shipping oil out of Russia. Oil bound for CIS countries suddenly turns up in France, for example. Someone is making a real killing out of this and doing enormous damage to our economy.

"This cannot be regarded as normal," was Oleg Soskovets's conclusion. He demanded that not comments on a draft decree but actual proposals to rescue the sector from crisis—"with a view of the end results"—be submitted to the Fuel and Energy Ministry by next Friday.

Budget Crisis Could End Oil Production

LD0912191093 Moscow INTERFAX in English 1425 GMT 9 Dec 93

[Text] The payment crisis and failure of the budget deduction system could bring oil output to a halt, the Russian Fuel and Energy Ministry said in a press release it sent to Interfax. Since the beginning of the year, consumers' debts to the oil industry have increased five-fold and now amount to 2 Tn [trillion] rubles. Even if some of the debts are paid, they are taken for budget revenue through taxes and fines for overdue budget payments. (The chief source of revenue is sales of gasoline while it is budget-financed organizations that do not pay the bills oil producers send them - IF [INTERFAX]).

As a result, wages have not been paid to the industry's workers for a long time. For these reasons the largest oil companies such as Nizhnevartovskneftegaz and Noyabrskneftegaz "are seriously thinking" of phasing out their operations and cutting personnel by two thirds. Nearly 70,000 are employed by Nizhnevartovskneftegaz alone.

The ministry emphasized that the crisis in the state system of finances thwarted the government's program of expansion in the oil industry, the core of the country's economy. This could culminate in "losses in the fuel and energy complex that would threaten the success of reforms in the country."

Gaydar Views Impact of Economic Policies

PM0912155593 Moscow ROSSIYSKAYA GAZETA in Russian 9 Dec 93 First Edition pp 1, 2

[Interview with First Deputy Prime Minister Yegor Gaydar by unidentified correspondent; place and date not given: "The More Officials, the Higher the Taxes"]

[Text] [ROSSIYSKAYA GAZETA] Yegor Timurovich, just two years ago the team with which you acceded to power seemed to be a monolith. It was possible to agree or disagree with your program, but everyone regarded you as like-minded people. But now Shokhin has his own program, Glazyev still more so....

[Gaydar] Two years ago the logic of actions was rigidly set by circumstances. It was possible either to try to introduce a state of emergency—obviously this was "not our choice." Or to try to engage market mechanisms in an extremely complex situation: privatization, market regulation, a tougher budget and credit-monetary policy, price stabilization.... This, in fact, is what we are doing. There was a debate about the long-term prospects then too, but it did not stop us working in concord. If you set aside populism and politics, the crux of the present disputes boils down to the following. The moderate pace, if I may put it like this, of the reforms presupposes the preservation of a vast state apparatus with an army of officials and higher taxes. In short, a more expensive state. But we believe that the state must be more economical, the state apparatus more compact, and taxes lower.

When the crisis was very bad, people were not in the mood for arguing, but the fact that these problems have arisen means that the hardest stage has been traversed, albeit with great difficulty.

[ROSSIYSKAYA GAZETA] What, in your view, has been achieved, and what has not yet come off?

[Gaydar] We now have an economy in which distribution according to shortages has ceased to be the chief lever for regulating it. Rubles are no longer confetti money, and it makes sense to earn them, since the national currency is freely convertible and vice versa. The main problem for an enterprise is the problem of demand for its output, not the problem of access to scarce resources. Quite a large private sector already exists. That is, the chief problems at the first stage of the reforms have been resolved: The economy has been liberalized, it has become open, and the private sector has started to be formed. It is another matter that the resolution of these problems is no more than the first stage in forming a market economy in Russia. There then arise real and quite rigid alternatives connected with where to go next, when goods have appeared on the market.

By the way, 18-24 months ago I was repeatedly saying that it was possible to resolve the problem of goods, but it would not bring happiness. The most important thing still lies ahead—to achieve economic growth on a market basis.

[ROSSIYSKAYA GAZETA] Nonetheless, on entering into an argument with opponents, you already give us conclusions. This does not convince everyone....

[Gaydar] Well, let us go into greater detail. The first alternative, which is advanced by many of our opponents, is that the state must be the chief, leading engine. This is traditional for our history. This was how Witte attempted to carry out the capitalization of Russia. This response would be convincing if it were not for one circumstance—the tremendous load which the state, which grew rotten under the conditions of socialism, imposes on our society. State funding of investment activity, as in Witte's times, will lead to a sharp increase in the level of tax levies. But Witte specialized in high taxes on business. Today the burden of our economy's inefficient structure is very great, and we will require tremendous resources to keep it afloat. This means that it is necessary either to resolve problems by means of an additional steep increase in taxes or to fund state capital investments with the help of the printing press. This is pure fiction. The next wave of inflation simply takes out funds and will show a real increase. This is an impasse. Moreover, by increasing taxes, we encourage tax evasion. In short, we do not have the means or resources to fund a large-scale state investment economy.

This means that we must rely in our strategy on different experience. This experience is suggested by many states which have traveled the path of restoring economic growth in a situation similar to ours. This means encouraging private savings and private capital investments, a strategy of gradually freeing society from the burden of the state and creating preconditions which enable people to save money and to invest it in production. For this the national currency must be stable, otherwise there is no possibility of saving it and no incentive for private capital investments. This means that the laws must reliably guarantee private ownership. This is not a matter for the private owner but a matter for the state, which needs him to invest money in production. For this it is in turn necessary for taxes to gradually start falling. Consequently, the state must spend less. Everything else is pure profanation.

[ROSSIYSKAYA GAZETA] But for the majority of ordinary people a tough financial policy means, in practice, a delay over wages and the nonpayment of pensions, grants, and allowances. All this—not without the help of political opponents, of course—is linked with your name....

[Gaydar] A tough financial policy in itself must on no account lead to a delay over wages, pensions, grants, or allowances. This is not a result of the policy but primarily a consequence of the package of obligations assumed by the state which exceed its possibilities. The state must promise only what it can deliver. Meanwhile, laws which cannot be implemented and government decrees lacking financial backup were adopted in 1992 and, in particular, in 1993. If you add up together everything that the state has promised to do, then this greatly exceeds its actual revenue.

We are now trying to cope with this inherited problem by keeping funding within the limits of our actual potential and reducing the volume of optional, nonpriority state obligations in order to concentrate on what the state actually must and can do. For example, we have suspended the new preferential credits. This was a black hole in our finances. Last month alone we paid 380 billion rubles for preferential credits—the equivalent of four annual approrpriations for science and culture. As of 1 November, we have virtually abandoned import subsidies. And grain subsidies? This is a colossal, additional burden which we have dropped in order to resolve real tasks. Next year we are abandoning compulsory state purchases of agricultural products. In short, we are now doing everything to prevent a repeat of the situation in which quite unsupported state obligations are possible. Yes, we are now forced to pay for an incautious financial policy on other people's accounts. We are paying with extremely unpleasant things—delays over wages and so on.

[ROSSIYSKAYA GAZETA] And yet there is another side to the coin. The more you free the state from ineffective payments, the more funds it will have for direct social protection....

[Gaydar] Naturally. For we spend immeasurably more on paying preferential interest rates than on assistance for families with children, let us say. It is perfectly clear that, if we lift huge weights from the state's shoulders, it can better deal with its direct responsibilities: Assistance for the needy, for higher education, and for science, which really has been deprived of funding in our country.

Tackling social problems does not mean talking about them, still less promising things that you know you will be unable to deliver. It means mobilizing actual financial resources and channeling them into the most effective social programs.

[ROSSIYSKAYA GAZETA] We are now being intimidated with mass unemployment. Will this not catch the government unawares? This is a purely state task of placing people in employment or at least retraining them. Do the funds for this exist?

[Gaydar] Of course. But we should not dramatize the situation and frighten the people with 20-30 million unemployed. This is said to be on the point of coming. At first we were promised 20 million unemployed for the summer of 1992. Then more every time. This will not happen. Because this is how the mechanism of our labor relations is organized. They are not purely Western, not purely market relations. They will remain like this for a long time to come. There will be redundancies, this is quite inevitable and necessary, but an explosion throughout the economy is not foreseen. Problems will arise in individual regions and inidividual cities. We have formed an employment service, which has resources, and we will further replenish these resources. At present there is a little more than is needed there today. Naturally, we are preparing for the time when there will be less than is needed. These services will have to be subsidized out of the budget. We are preparing a cadre retraining program. We have action programs in case of an emergency employment situation in individual regions, a public works program.... So this work is organized. Of course, we have no experience of operating in conditions of high unemployment. We will have to accumulate it. But the structure has been created, and I am absolutely convinced that we will cope with the load which the restructuring of the economy will inevitably place on the state.

[ROSSIYSKAYA GAZETA] And yet people are put out of work not only as the result of economic transformations....

[Gaydar] Do you mean the problem of migration? A very acute problem. A two-fold problem. On the one hand we have set up the migration service. It implements a whole package of projects aimed at helping refugees, but we cannot discriminate against our own citizens who have long been living in Russia.... Nevertheless, we allocate loans, and the migration service carries out housing construction for forced migrants. Naturally, it is proposed that their labor contribution must also be made there. Many of them really do come to work. They are prepared to travel as families and as entire collectives and to set up enterprises. The Federal Migration Service is tackling this and will continue to do so. But, on the other hand, we have an interest in limiting the circle of these people. We are inclined to hand out some money for stabilization in nearby foreign countries. This is in our interests. Otherwise, if things become quite bad there, millions of people will rush into Russia.

I repeat, we have the greatest possible interest in a stable situation in Belarus, Ukraine, Kazakhstan, Uzbekistan. In the people there working and earning well. These are very important markets of ours. But we cannot provide unrestrained financial support for all this. The cost is too high for Russia. But we will, of course, cooperate.

[ROSSIYSKAYA GAZETA] You have frequently been saying recently that by the end of next year real wages will amount to $120-150, but what good will this be if prices rise faster than wages?

[Gaydar] The price of a video recorder, television set, washing machine, refrigerator, pair of shoes, or decent clothes on the world market will not change radically, however the situation takes shape here. In fact, a dollar wage simply shows how we look at ourselves and what we can really afford. While it is $80, you cannot afford it, but when it is $350 you will be able to.

[ROSSIYSKAYA GAZETA] When, according to your calculations, will wages be linked to production growth?

[Gaydar] If we really are able to reinforce the economy with a stable financial policy, ensure political stability, and implement legal reform in 1994, then it will be possible to consider 1995 the start of the stabilization of industrial production.

[ROSSIYSKAYA GAZETA] In your opinion, does the situation in the present elections give grounds for speaking of political stability in the future?

[Gaydar] Unfortunately not. Political passions will probably take the present rivals still further. I am very much afraid that the next parliament might suffer the same fate as the previous one. I am afraid that there will be many people there, generally our allies, who, following the logic of struggle, will start flirting with direct opponents and will then virtually become hostages of extremists. For such a thing has happened before. But we will hope for something better.

Chubays Answers Questions on Economy

PM1012113593 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Dec 93 p 3

[Report by Yevgeniy Anisimov, Yelena Arakelyan, Sergey Razin, Irina Savvateyeva, and Fedor Sizyy on readers' phone-in with Deputy Prime Minister Anatoliy Chubays: "Support Voucher More Widely! Anatoliy Chubays Answers KOMSOMOLSKAYA PRAVDA Readers' Questions"]

[Text] [Demidov] Mr. Chubays, I am calling from Moscow, my name is Demidov. What comment do you have on the increase of the worth of the voucher?

[Chubays] I see it as absolutely legitimate, the natural result of the success of the privatization program in Russia. I think that it is hardly likely that we should expect any further eruptions in the exchange rate. But we can expect a steady and consistent increase. And a guarantee of that is the unique selection of enterprises which will be put to voucher auctions in the immediate future. They include "AvtoVAZ," "GAZ," and oil industry enterprises. We must also bear in mind that the exchange of free vouchers, which have still not been invested, ends quite soon—1 July 1994.

[Demidov] And one more question. How do matters stand at enterprises which have already been turned into joint-stock companies? For instance, with regard to indicators like labor productivity and production volumes?

[Chubays] Since real experience of the work of joint-stock enterprises is still not great enough, I treat all present indicators with caution. But the formation of joint-stock companies creates the opportunity for absolutely new decisions within enterprises.

Recently we held a conference on the plan to modernize a St. Petersburg defense enterprise. What a plan! In it each article was broken down for the types of expenditure connected with it and the real market sales potential was determined for each article—and there are thousands of them in the range. And a tough decision was made regarding those which cannot be sold—they were to be completely removed from production.

[Dmitriyeva] Anatoliy Borisovich, I am phoning from Ivanov, my name is Dmitriyeva. We are all very worried by the unemployment problem. What do you think it could be like next year?

[Chubays] Today's unemployment level, as officially registered, is extremely low. In our country the proportion of unemployed is even less than 1 percent—0.8 percent of the able-bodied population. But at the same time I would not be reassured by those figures. Because in our country there is an enormous number of people who are either on enforced leave or are working at enterprises for two or three days a week. In addition there is a large number of people who have been laid off but who do not want to register as unemployed. According to our assessments, if you take the total number of people who are not working at all then the figure is close to 6-7 percent. These are very serious indicators. But I believe the forecasts that next year there will be 15 million or even 20 million unemployed in Russia are absolutely unrealistic. These are forecasts as hysterical as the forecasts of complete collapse and the halting of heat supplies.

[Stepanov] Student Sergey Stepanov from Moscow. Tell me, how far has privatization gotten in our country?

[Chubays] Today in our country 40 percent of those employed in industry are working not at state enterprises but at joint-stock companies. Of 14,100 medium, large, and very large enterprises as of early November we had turned 9,100 into joint-stock companies. In practice that means that by the end of the term of operation of the privatization voucher—that is by 1 July 1994—the overwhelming majority of the Russian economy will be in private hands. And there are 50 million private property owners in Russia now.

[Starostin] Hello, I am Vladimir Starostin. In his KOMSOMOLSKAYA PRAVDA phone-in Gaydar said that if Soviet power returns they would put him up against the wall immediately. How do you think the Communists would treat you?

[Chubays] I believe that the Communists will not come back. For many reasons, in particular because of what we have managed to do in these two years. In a country in which 50 million people are private property owners with an adult population f70 million, in that country the Communists can no longer win. So that the pleasure they would get from putting Yegor and I think Chubays as well against the wall is one they will obviously not see.

[Starostin] One more question. In September the newspaper GLASNOST did not publish for economic reasons. In October it did not publish for political reasons. In November its property was confiscated and its editorial office turned out onto the street. What is your attitude toward this situation?

[Chubays] I do not know the situation with regard to this newspaper so without seeing documents I cannot say anything except the simple truth that all newspapers should have the right to publish except for those which call for violence. And those which recognize no laws or moral rules must be treated toughly, in accordance with the law.

[Sidenko] Anatoliy Borisovich, my name is Sidenko. I live in a military township near Moscow. The Defense Ministry completely refuses to give us the right to privatize housing...

[Chubays] Yes, I know this problem. In Moscow, the Far East, and Amur and Omsk oblasts this question has been put to me. We now want to begin joint work with the Defense Ministry. Obviously some amendments to the ministry's position are needed here. I cannot give an ironclad promise that everything will be resolved but we will really study this problem with the Defense Ministry.

[KOMSOMOLSKAYA PRAVDA] A question from KOMSOMOLSKAYA PRAVDA. Not so long ago there was a very fierce struggle over privatization. On the one hand voucher privatization has been attacked by parliament and on the other by government ministers. What is the situation today? What causes you the biggest headache?

[Chubays] Of course some complexities remain: both within the government and outside it. That is inevitable. I think that the difficulties will remain as long as Russia is going through privatization itself. But at the same time the situation has changed radically: The stage has ended when our main task was to defend the privatization program against attacks from all sides. Now privatization can defend itself against anyone. I have in mind the tens of millions of people who believed in privatization and have invested something in it.

[KOMSOMOLSKAYA PRAVDA] One more question. What is your attitude toward Yavlinskiy's proposal to carry out "rapid privatization for cash" and also his idea to be in no hurry to fight inflation but to extend this "pleasure" to a longer period?

[Chubays] I treat them as statements which have a political rather than a professional economical content.

Let's take a look at privatization. The option which is being implemented today does after all also presuppose attracting cash. You remember the voucher privatization scheme: The first stage was closed subscription, the second a voucher auction, the third investment auctions. That is, the attraction of cash. Thus our scheme included a certain balance between privatization for money and free privatization by the people.

Now as regards Yavlinskiy's proposal for extending inflation. That is of course absolutely unacceptable. For the simple reason that inflation is not simply some abstract economic category but a ruthless and uncontrollable thief who puts his hand in each person's pocket every day. And it is the least protected strata of the population who are particularly hurt by this thieving: the pensioners, students, and other people on fixed incomes. That is why for the "Russia's Choice" bloc and for the government inflation today is the number one enemy and everything we do is aimed at fighting it. We have already succeeded in achieving something. Over the past four months, while Gaydar has been working in the government, the pace of inflation has steadily declined. Back in the summer it was 29 percent, but in December it will be a maximum of 15 percent. We want to continue to operate in the same regime.

[KOMSOMOLSKAYA PRAVDA] And one last thing. What do you think about the position of the Party of Russian Unity? It seems that together with Shakhray you began reforms, Shokhin was in the "Gaydar team." And suddenly these same people are slinging so much mud—at their former fellow fighters and at the reforms which they themselves implemented.... How can all this be?

[Chubays] Well, how, how.... You know, from a human viewpoint I can even understand them. On the one hand, as a professional and an economist you can see that quite tough measures are needed to prevent tomorrow's very brutal collapse. But on the other hand you realize that these grave decisions are a blow to specific living people, who will have a hard time. In this situation there is a very strong temptation to make easy decisions. And it is far from always that you succeed in choosing a responsible position. Any normal person—not only Shokhin and Shakhray, but Chubays too, and Gaydar, and indeed anyone—is drawn toward avoiding tough decisions. But unfortunately economics are a hard business. And convenient "kindly" decisions will in the future nonetheless result in grave consequences for the same people for whom the politicians are making their endeavors. And also for the politicians themselves.

[Unidentifed Reader] Hello, Anatoliy Borisovich. I am calling from Vladimir. What do you think about the introduction of promissory notes? Will it not result in promissory note privatization proceeding rapidly while, crudely speaking, there will be nothing left for vouchers?

[Chubays] I view the introduction of promissory notes completely calmly because I can clearly see the gigantic amount of very complex work which must be done to ensure that the edict on promissory notes starts to work.

[Reader] Frankly, do you believe that promissory notes will not start to operate that soon?

[Chubays] Frankly, I do not. For them to begin to work normally, I would considerably improve the foundations which are laid in the edict on promissory notes. A special commission is now studying this. But I shall not venture to cite any date today.

[Unidentifed Reader] I am a journalist. I am phoning from Nizhniy Novgorod. When will we finally have bankrupts?

[Chubays] The first few dozen arbitration trials have already taken place in Russia.

[Reader] The trials may have been held but as far as I know matters have gone no further than investigation in the arbitration court: There is no one to introduce sanctions, no one to appoint official receivers....

[Chubays] Yes, indeed, there is this problem. That is why we have drastically accelerated the creation of structures which will begin to engage in this. A federal agency for bankrupts' affairs has been created. Its leader has been appointed—the very vigorous and experienced Sergey Belyayev, who has become my first deputy. He is now intensively gathering people together and beginning real work. Normative documents are being prepared which explain what an official receiver is, how he is selected, and what demands are made on him. We shall then instruction the arbitration courts because for them too there is a very great deal that is unclear today. In addition in the very near future a president's edict will appear which will give specific form to the procedures enshrined in the law on bankruptcy and specify much which is simply unclear in the law.

[Reader] Nonetheless what is your forecast: How many bankrupts will there be in Russia?

[Chubays] I think that there will not be that many enterprises which will have to be sold off and closed. Perhaps 5-7 percent.

[Reader] When is it feasible to expect the appointment of the first official receivers?

[Chubays] In the first quarter of 1994 is perfectly feasible.

[Unidentifed Reader] Anatoliy Borisovich, hello, you are talking to one of the victims of "Technical Progress." Please tell us which funds we can give our vouchers to? Where will we not be misled?

[Chubays] The government has resolved the question in a specific way. A group of voucher investment funds is assuming the commitments which "Technical Progress" failed to meet. These funds will exchange the "Technical Progress" shares for their own. You can get in touch with these funds and become their shareholder. And we shall compensate these funds for their expenses. Which specific funds are these? I can tell you that as of today 36 funds have concluded contracts with us. I cannot list them all for you: "Neft-Almazinvest," "Soyuz," "Eksimerinvest," "the National Voucher Investment Fund...."

[Unidentifed Reader] On instructions from the collective we are asking for your advice and help. Our enterprise used to belong to the "Grazhdansaratovstroy" association. In December 1990 we became an independent small enterprise like 40 others. Then Gridasov, the association's leader, got back all 40 enterprises. But we held out and remained independent. But for three years now he has been waging war with us. There have been arbitration and people's court dealings and hundreds of investigations....

[Chubays] What is the latest arbitration court decision as of today?

[Reader] All our property has been privatized under the second option.... But the point is that at voucher auctions Gridasov bought up 36 percent of our shares—through people who worked under his leadership. And he has begun to terrorize us again. They visit our enterprises and bases, promise us mountains of gold, and threaten us. What are we to do?

[Chubays] First, you must check the legal aspect of the matter. If everything is legally correct then you must rely on the 51 percent which the labor collective has. The first thing you must do is to elect a shareholders' council at a general meeting. You probably have a majority? That means that you can decide the question of the council's membership as you consider expedient. And then, on the basis of the council, you can work with this man as one of your shareholders representing a minority. That is all.

[Unidentified Reader] Anatoliy Borisovich, hello. Tell us how we can live today. My wife had a pension of 132 rubles. A normal pension. Now she has 19,000. Do you believe that is normal?

[Chubays] We have prepared a draft law which will make it possible to index the pension in connection with the rise in prices.

[Reader] But it has not been adopted?

[Chubays] Absolutely correct, this law has not been adopted. That can only be done by the State Duma. SO we have decided to confirm its main provisions by an edict of the president. This draft edict has been prepared and will be submitted to Boris Nikolayevich in the very near future.

[Unidentifed Reader] Rostov on the line. General director of the "Donvozstroykomplekt" joint-stock company. I have two questions from the city's entrepreneurs council. We would very much like to vote for your bloc but we are very wary of Fedorov's position. We sympathize with him personally as a professional but you and he must determine your attitude toward taxation problems more precisely. We are simply being driven into the mire.

[Chubays] I understand what you want. This is a question which is being raised by literally everyone. Here is what can feasibly be done. In the past three or four months there has been a reduction in inflation rates—from 26 percent in August to 15 percent in November. This is a reduction which we can really reinforce. And following that a decision will be made on the reduction of the interest rate for Central Bank credits. And I think you will agree that is of importance to you.

[Unidentifed Reader] Anatoliy Borisovich, one more pressing request. We locally can see clearly how budget funds are being squandered—the funds which you scrape together with such difficulty and throw into "black holes" like agriculture, defense, and so forth. I have something to ask your bloc. Please direct the efforts of the tax inspectorates, police, and other punitive organs not only against us but also at controlling the expenditure of budget funds. While I am trembling like Kashchey [a legendary monster] over each kopek, the budget is being squandered right and left before my eyes....

[Chubays] I accept that comment. And I undertake not only to pass it on to Fedorov but also to try to act on it.

[Unidentifed Reader] I am a pensioner. I work at the Exhibition of National Economic Achievements. In the summer I read in the journal STOLITSA that the exhibition has been privatized. We have all had out names listed but we have not yet been issued with anything. Has the Exhibition of National Economic Achievements really been turned into a joint-stock company?

[Chubays] So far no final decision has been taken on the Exhibition of National Economic Achievements. So let's wait and see. You personally will have a right to your share if you have worked more than 7.5 years.

Land Resources Committee Official on Land Market Plans

LD0912183493 Moscow INTERFAX in English 1425 GMT 9 Dec 93

[Text] Valeriy Alakoz, first deputy chairman of the Russian Committee for Land Resources and Use, told INTERFAX that regional committee bodies had already started taking stock of former agricultural and other so-called "waste" land close to towns or in other prestigious areas which could be used to fill out the Russian land market. The committee, said Alakoz, is putting the finishing touches to a package of draft documents needed to launch a land market mechanism which is totally new to Russia.“ [quotation marks as received]

Alakoz stressed that the action was designed to avoid any possible "land speculation." For example, the procedures developed by the experts from committee, the Russian Association of Private Farmers and Agricultural Cooperatives (known by its Russian acronym of AKKOR) and the Ministry of Finance for the sale of land shares and the redistribution of purchased land include among other restrictions a "strict selection" of buyers and measures to limit the amount of land that may be bought and to introduce "tough" tax policies for land sales.

Since reforms got off the ground, said Alakoz, the amount of land held in private hands has increased fourfold, although even now only 18 Mn ha (8.1%) of land is privately-owned, while about 75 Mn ha (33%) is state-owned and 130 Mn ha (58.3%) is collectively owned. Moreover, said Alakoz, a total of 280,000 private farms have been set up in Russia holding a 11.2 Mn ha of land. Although the average size of a private farm is 42 ha, more than 40% of private farmers own 5 ha plots.

The Russian land market, said Alakoz, will be made up of land plots sold to citizens and legal entities during the privatization of state and municipal enterprises, to citizens to plant gardens or build dachas or homes, to private farmers in addition to their allotted plots. Members of collective farms will also buy out their own land shares (their stake in the collective farm during corporatization) as well as land they lease.

In cities, towns, suburbs, resorts and other such zones the right to lease land will be sold to individuals and legal entities (including foreign companies) at auctions for immediate payment, land itself will be sold during the privatization of state or municipal enterprises or as so-called "waste" land.

Regional Affairs

Main Blocs in Kaliningrad Elections Profiled

WS1012095693 Kaliningrad SVOBODNAYA ZONA in Russian 2 Dec 93 p 2

[Report by Mariya Pereviznik: "From One Voter to Another"]

[Text] This December's elections to the Russian Federal Assembly will be the first held on a democratic multiparty basis. What does this mean for us, Russian voters? First of all, we are facing the task of realizing and defining our personal political and economic interests and affiliation with a particular world outlook. We should do this because contrary to the elections in 1990 and 1991, we will have to choose not between a good and a very good person who promises "a land of milk and honey," but from several leading political parties and groups, and their nominees.

One could distinguish three primary groups among the broad range of political parties and associations allowed to participate in the elections by the Central Electoral Committee.

The first group unites the irreconcilable opposition to the course of Russian reform and President Yeltsin. The leading role in this political spectrum is played by the Communist Party of the Russian Federation [KPRF] (Zyuganov), the Russian Liberal Democratic Party [LDPR] (Zhirinovskiy), and the Agrarian Party (Lapshin). It is a factual rather than a formal alliance of forces which speak out for a sharp turn from a market economy to the restoration of the Soviet socialist system. In Kaliningrad Oblast, these forces are represented by Y. Semenov and Y. Dovzhenko (KPRF), G. Vatutin (the Agrarian Party), and A. Moyseyev and V. Nikitin (LDPR).

The second group comprises such reformist and liberal democratic organizations as "Russia's Choice" (Gaydar), Yavlinskiy's bloc, the Party of Russian Unity and Accord [PRES] (Shakhray), and the Russian Democratic Movement for Reform [RDDR] (Sobchak). In our region, the "Russia's Choice" bloc is represented by candidates V. Shumeyko, V. Nikitin (chairman of the oblast collegium of attorneys), O. Gordov, and N. Tulayev. D. Slepokurov, V. Davidenko, and V. Yezhikov are running for the legislature from Yavlinskiy's bloc, G. Krutov—from the PRESS, and A. Moguchev, S. Kozlov, Y. Voyevoda, and Y. Bedenko—from the RDDR.

The third group includes the so-called centrists—representatives of the moderate opposition. The most outstanding parties here are the Citizens' Union (A. Volskiy) and the Russian Democratic Party [DPR] (N. Travkin). In our oblast, candidates B. Shutin and Y. Kuzin represent the Citizens' Union and the DPR, respectively.

My aim is not to analyze the electoral programs of all these parties and associations or predict their success in the upcoming elections. We are the ones who will answer all the questions on 12 December. It is much more important to help each other understand the complicated system of multiparty elections and make the correct, calculated choice. It is we, the voters, who will elect the person to steer Russia's statehood until the next elections.

Poll Predicts 68-Percent Turnout

WS0912142393 Kaliningrad YANTARNIY KRAY in Russian 1 Dec 93 p 1

[Unattributed report: "Sociologists Prognosticate"]

[Text] According to an opinion poll conducted by the Kaliningrad Sociological Center, 68 percent of the 690,000 inhabitants of the oblast intend to participate in the upcoming legislative elections. The forecast shows that most of those who will go to polls will cast their votes for representatives of central and regional authorities. V. Shumeyko and Y. Matochkin enjoy the highest popularity ratings in the 39th constituency today.

Shumeyko Campaigns in Kaliningrad

WS1012110593 Kaliningrad SVOBODNAYA ZONA in Russian 7 Dec 93 p 7

[Unattributed report: "On Transit Via Lithuania, the Draft Constitution, and the Status of Our Region"]

[Text] Russian-Lithuanian agreements on free commuter transit to Kaliningrad Oblast signed last month in Vilnius do not work. This was stated by Russian Deputy Prime Minister Vladimir Shumeyko, who arrived in Kaliningrad by train as part of his election campaign.

In an interview with journalists at the railroad station, he said: "It was worth coming here personally to check for myself whether the complaints of Russians about—to put it mildly—the improper behavior of Lithuanian border guards were absolutely justified. Since Lithuanian Prime Minister Adolfas Slezevicius asked to be notified of all such cases, I will fulfill his wish. With due respect to the sovereign Baltic state, I have to state that its officials must also respect the rights of my fellow countrymen."

Vladimir Shumeyko also said that the government commission he heads, which includes representatives of the oblast administration, crafted a draft document on the special status of Kaliningrad Oblast. The document may be signed by the president as early as this Tuesday [not further specified]. It envisions granting our city the status of a free customs regime zone, tax breaks, and more freedom in social and economic activities.

Sunday [5 December] was marked by creative and active work of our colleagues from the private "Kaskad" radio channel, who met Vladimir Shumeyko in Chernyakovsk and interviewed him on the train, and from the radio station "Radio-Bas," which had organized a talk show with him carried live.

At all of his meetings, the deputy prime minister called upon all those who want a stable development of society to vote in favor of the new constitution. He emphasized that his decision to run for the Federal Assembly from Kaliningrad Oblast was prompted by his unwillingness to enter any blocs.

"The new parliament should engage in creative legislative work instead of fighting," said Vladimir Shumeyko. "This is why I believe that electors should think whether we need people like Zyuganov and Yavlinskiy, who spurned the proposed constitution. If the constitution is not approved on 12 December, the Federal Assembly will become an illegitimate body, and everything will have to be started from the very beginning."

Throughout this week, the candidate for the Federation Council will be meeting with Kaliningrad residents, discussing the draft constitution on live television programs transmitted to Saint Petersburg, and appearing on local television.

Vladmir Shumeyko spent Monday in the town of Sovietsk where he met with the staff of an apparel factory, a pulp and paper mill, and other enterprises.

Kalmykia Official Supports Constitution

LD1012021393 Moscow Radio Rossii Network in Russian 0100 GMT 10 Dec 93

[Text] (Konstantin Maksimov), chairman of the parliament of Kalmykia, distanced himself from the position of Tatarstan and Tuva, which are declaring their negative attitude to the draft constitution, in an interview with an ITAR-TASS correspondent. Everything is in preparation in Kalmykia for holding the referendum and voting in favor of the new basic law, (Maksimov) stressed.

Viktor Stepanov, chairman of Karelia's Supreme Soviet, has decided to leave his post should he lose in the elections to the Federation Council on 12 December.

Shakhray Visits Krasnodar Kray

PM0912154193 Moscow ROSSIYSKAYA GAZETA in Russian 9 Dec 93 First Edition p 1

[Unattributed report: "Sergey Shakhray Visits Krasnodar"]

[Text] Sergey Shakhray, deputy prime minister of the Russian Federation Government and leader of the Party of Russian Unity and Accord, began his visit to Krasnodar 8 December by meeting with the board of the All-Kuban Cossack Host headed by Hetman Vladimir Gromov.

Afterwards he visited the "Sedin" International Joint-Stock Company plant, which produces machine tools, where he met with the enterprise's collective. Later on S. Shakhray's plans include a meeting with leaders of the national movements of the Kuban and a meeting with the public. In addition, S. Shakhray will visit the city of Belorechensk where he will take part in a cossack folklore festival.

Democrats' Chances in Moscow, Provinces Assessed

MK0912131093 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 9 Dec 93 p 1

[Aleksey Bogomolov report: "A Test of Decency"]

[Text] People seeking power have always found it hard to come to agreement among themselves. Especially the democrats. Especially when the target is so close....

More than a month has passed since representatives of the four democratic blocs—Russia's Choice, Yavlinskiy-Boldyrev-Lukin, the Russian Democratic Reforms Movement, and PRES [Party of Russian Unity and Accord]—began consultations over the possibility of fielding common candidates in elections for the Federal Assembly with the aim to prevent the communists and national patriots from coming to power.

It seems that the sole representative of the above blocs who has voluntarily removed his candidacy in the capital is Viktor Sheynis, who refused to contest the southwestern constituency and called on his voters to support his democratic rival, Pavel Medvedev.

But Viktor Sheynis has no particular cause for worry over his deputyship. The fact is that his name is among the first 10 on the Yavlinskiy-Boldyrev-Lukin slate, so his election to the Federal Assembly is almost a foregone conclusion.

What is the situation with those candidates who are not running on party tickets, or if they are, have a low rating? On this issue talks are apparently under way. True, Vladimir Lysenko, a member of the Yavlinskiy-Boldyrev-Lukin bloc's council, stated that Grigoriy Yavlinskiy "for two days in a row has failed to get in touch with the Russia's Choice leadership in order to work out a common position on the candidates."

"This is not true," said Arkadiy Murashev, a leader of Russia's Choice. "Yesterday morning Yavlinskiy met with Gaydar and in the evening he spoke with me on the phone. As for our candidates, indeed, we are withdrawing some of them, but for various reasons. It happens, for instance, that a candidate's position is totally incompatible with the bloc's and so we remove him for political considerations. In certain instances we recall them in favor of other democratic candidates, but only when 'ours' have no real chances for victory."

Asked about the situation in the capital's constituencies, Arkadiy Murashev said that in Moscow, with the exception of the northwestern district contested by Yuriy Vlasov, the probability that the democratic forces will be fragmented and opposition candidates will score a victory are practically zero. Three "democrats" are running there but according to some reports, Konstantin Borovoy has an unmatched lead. In all likelihood, he will win even without any candidates' being withdrawn, although this question is still open.

The possible removal of candidates gives rise to some practical problems. The fact is that the ballots with their names have already been printed, and it is just physically impossible to make new ones. The latest explanation from the Central Election Committee on this point says that members of district election commissions will simply have to strike out the names of the candidates removed. No doubt, this will bring about a great many complaints and questions on the part of the voters who were going to vote, for instance, for Sheynis but will fail to find his name on the ballot.

Whereas the situation in Moscow is more or less clear now, in the provinces, where communist and national patriotic leaders are contesting the elections, the democrats will be confronted with an uphill struggle. Here they will have to undergo a test of decency and the ability to abandon their personal ambitions for the sake of victory over the opposition. Whereas blocs and parties can still influence their members somehow with the help of party discipline, with respect to independent democratic candidates the question "To be or not to be?" is increasingly being linked with the no less classical question: "What is to be done?"

Dudayev Warns Military of Russian 'Aggression'

LD0912182893 Moscow INTERFAX in English 1425 GMT 9 Dec 93

[Text] Chechen President Dzhokhar Dudayev told the Chechen military leaders on Thursday that Chechnya must ready itself for a Russian aggression at any moment, Chechen Minister for Information and the Press Movladi Udugov told INTERFAX.

Udugov also said that Chechnya considered Boris Yeltsin's statement, made in Nalchik earlier this week, as a veiled declaration of war. He also quoted Dudayev as saying that "Under the pretext of guarding railway trains going through Chechnya, Russia is planning to ensure the presence of its troops in Chechnya.

As a counter measure, Dudayev's armed formations have established stronger control over its railways and stations, and observe the movement of Russian troops in the regions of Dagestan, the Stavropol Territory, Ingushetia and North Ossetia bordering on Chechnya. Besides that, other measures are being taken, said Udugov.

As to Russia's plans to strengthen the border with Chechnya, Udugov said that "We welcome this because this will help close the channels through which Russian services are supplying weapons to Dudayev's opponents."

Security Problems Anticipated in North Ossetia

LD0912184093 Moscow INTERFAX in English 1425 GMT 9 Dec 93

[Text] According to sources in the provisional administration in North Ossetia and Ingushetia, no incidents were registered in the conflict zone on Thursday. Neither were there any protest rallies, like the manifestation held in Vladikavkaz on December 8, against the decision to move Ingush refugees to North Ossetia. The peace-keeping forces are working out measures to ensure the population's security during elections.

Boris Yeltsin has passed a decree lifting the state of emergency in the conflict zone during elections to the Federal Assembly (from 00:00 December 12 until 00:00 December 13). Representatives of the Russian Interior Ministry's group operating in the conflict zone, believe that the job of ensuring the population's security will be extremely difficult given that criminals continue their terrorist actions. Over the past eight weeks shooting has been registered more than 300 times, mostly in the vicinity of the regions to which refugees are returning.

Since this group began its work a year ago, more than 1,000 units of firearms, including machine-guns, grenade launchers, grenades, and explosives, and dozens of thousands of units of ammunition have been confiscated.

International Affairs

Foreign Minister, Envoy Cited on Nuclear Issue

LD1012111593 Moscow Ostankino Television First Channel Network in Russian 0900 GMT 10 Dec 93

[From the "Novosti" newscast]

[Text] The Ukrainian parliament may return to the question of Ukraine's accession to the treaty on the nonproliferation of nuclear weapons when the necessary conditions are created for this, Ukrainian Foreign Minister Anatoliy Zlenko said. However, he did not specify what these conditions are.

The Ukrainian ambassador in the United States has said that his country's stance on nuclear weapons is being distorted by the Western media. He said that the Western press is helping to create a negative impression of Ukraine in the West.

Ministry Officials Rebut Kozyrev Remarks

LD0912230493 Kiev UNIAN in Ukrainian 2010 GMT 9 Dec 93

[Text] Kiev—Kostyantyn Hryshchenko, head of the directorate for armament control and disarmament of the Ukrainian Ministry of Foreign Affairs, and Ihor Kharchenko, head of the directorate for political analysis and prediction, held a meeting with journalists on 9 December devoted to the consequences of ratifying START I. According to information from Kharchenko, Andrey Kozyrev, [Russian] minister of foreign affairs, "resorted to conscious distortion of several specific facts" at a recent briefing at the Russian Foreign Ministry. "In particular, he maintained that Russia had supposedly virtually received agreement to conduct peacemaking actions on the territory of the former USSR, although really only the necessity of carrying out peacemaking actions in general was stressed at the CSCE session in Rome. It does not correspond to reality that CSCE ministers supposedly unanimously condemned aggressive nationalism, or that one had supposedly managed to isolate Ukraine from the world because of its stance regarding nuclear disarmament, noted Kostyantyn Hryshchenko. [no closing quotation mark as received]

According to information from the Ukrainian diplomats, Russia itself in fact ended up in isolation after it was to blame for disrupting the signing of a package of documents in the sphere of defense planning, which suited all of the delegations except for the Russian one. The Ukrainian diplomatic corps links the latest statements by the Russian foreign minister with the clear line of Russia's Government, which was previously concealed and was made out to be the opinion of parliament. A UNIAN correspondent has learned that Borys Tarasyuk, deputy minister of foreign affairs, made observations on 8 December regarding Kozyrev's position, when Tarasyuk stressed that it is Russian President Boris Yeltsin's idea to divide the Black Sea Fleet.

Turboatom, Toshiba To Produce Energy Works

LD0912220793 Moscow ITAR-TASS in English 2036 GMT 9 Dec 93

[By ITAR-TASS correspondent Anatoliy Gordeyev]

[Text] Kharkov December 9 TASS—The trademarks of Japan's world famous firm Toshiba and Ukrainian research and producing association Turboatom will be place side by side on energy installations manufactured under an agreement on production for third countries signed by the two producers.

New installations will be supplied to Vietnam, which is building a number of hydropower plants. The first deliveries are expected to take place next year.

National Affairs

Spokesman Denies State of Emergency 'Rumors'

LD0912143993 Kiev UNIAN in Ukrainian 1345 GMT 9 Dec 93

[Text] Kiev—In an interview with a UNIAN correspondent on 9 December, Heorhiy Kosykh, deputy head of the press service of the president and the cabinet of ministers, said that rumors about the introduction of an economic state of emergency in Ukraine which have been circulating over the last week do not correspond to reality. In his words, "the cabinet of ministers has no information about the introduction of such a state. Such a decision should be adopted by the Supreme Council."

On 8 December, Vyacheslav Chornovil, Rukh [People's Movement of Ukraine] chairman, told journalists that such rumors could have been circulated from within the "party in power." In his view, if an economic state of emergency is to be introduced, the next step would be the cancellation of the elections.

Kravchuk Decree Sets Up Anticorruption Group

LD0912131393 Moscow Russian Television Network in Russian 0520 GMT 9 Dec 93

[Text] The president of the Ukraine has issued a decree on setting up a coordinating committee to combat corruption and organized crime. The committee will be made up of the Republic's procurator general, the minister of internal affairs, the chairman of the security service, the justice minister, and the chairman of the board of the national bank. The committee is headed by the president of Ukraine himself.

State of Emergency Reported in Crimean Town

LD0912135493 Kiev UNIAR in Ukrainian 0026 GMT 9 Dec 93

[Text] Kiev, 8 Dec—The executive board of "Green World" [Zelenyy Svit, ecological public organization] in Kerch has reported that a state of emergency was introduced there on (?6) December. A body to control the state of emergency grouped virtually all of the former Communist Party nomenklatura in the city. The working people were given to understand that the situation with electricity was beginning to improve; it is no longer being disconnected during the day. It is planned that examining and clearing posts will shortly be set up.

Crimean Supreme Council Session Opens

WS0912143393 Kiev Ukrayinske Radio First Program Network in Ukrainian 1100 GMT 9 Dec 93

[Text] A regular session of the Crimean Supreme Council was opened in Simferopol today. The Supreme Council Presidium put 22 issues on the agenda, which were complemented by about 10 issues proposed by deputies. In particular, the session will discuss a draft of the Ukrainian constitution, a draft of the Crimean Republic law on the Crimean Supreme Council deputy, and a draft of the autonomous republic land code. At deputies' demand, the issue of the Crimean Republic citizenship will be discussed, as well as the embodiment of the Crimea into the CIS economic union. Issues on the abolishment of a moratorium for a referendum on Crimean independence and on the rescheduling of presidential elections in Crimea to 27 March were voted down by deputies and will not be discussed.

The session was addressed by Supreme Council Chairman Mikola Bahrov. He denied the widespread accusation that the Crimean parliament allegedly submits to Kiev dictates. The Supreme Council, said Mikola Bahrov, was never afraid to speak out on any issue. The Crimean parliament has passed a political examination, stated the speaker, and now the economic examination must be passed. However, in these areas, we should not look for guilt either in Moscow or in Kiev, but take greater responsibility on our own.

Industrialists Congress Opens in Kiev

LD0912204293 Kiev Ukrayinske Telebachennya Network in Ukrainian 1700 GMT 9 Dec 93

[Text] The third extraordinary congress of the Ukrainian Union of Industrialists and Entrepreneurs [USPP] is under way in Kiev.

[Unidentified correspondent] According to the congress agenda, which was adjusted in the course of a pointed debate, participants will discuss the issue of a state of emergency in the economy of Ukraine, the stand of the USPP in this situation, and the election platform of the USPP; make changes to the union's statute; and choose a new president.

Deputy Prime Minister Vasyl Yevtukhov, who is currently president of the USPP, gave an account of the USPP's activity over nine months of this year. As is well-known, he has submitted a request to be released from the duties of USPP president.

Participants described Ukraine as suffering economic death throes caused by state and government structures. Some participants openly called on the Ukrainian state leadership to change its political course, namely to return to a single economic and ruble space with Russia, cancel all customs barriers in trade with Russia, and so on.

Ukrainian President Leonid Kravchuk, acting Prime Minister Yukhym Zvyahilskyy, the chairmen of standing commissions of the Ukrainian Supreme Council, the heads of a number of ministries and departments, and guests are taking part in the work of the congress.

Rukh Leader Interviewed on Situation, Election

WS0912121593

[Editorial Report] Kiev Ukrayinske Radio First Program Network in Ukrainian at 1300 GMT on 8 December broadcasts the live, hour-long "Independence" call-in program, featuring a discussion with Vyacheslav Chornovil, chairman of the Ukraine People's Movement, Rukh, moderated by Emmh Borchuk. "Independence" is a regularly scheduled program carried Monday to Friday.

This 8 December edition is aimed at presenting the standpoint of the "most massive democratic force in Ukraine" under the current political and economic situation, and its strategy on the eve of Supreme Council elections.

At the beginning of the program, Chornovil speaks about the Rukh Congress scheduled for 10 December and recalls the history of the organization. He points out that the ranks of Rukh regional structures in some Ukrainian oblasts have grown twofold or even threefold, as in Ternopil Oblast, over the last year. According to Chornovil, the organization currently has 55,000 "firmly organized" members, 50,000 associate members, and enjoys the support of approximately 2.5 million advocates. Thus, underlines Chornovil, claims that the Electoral Law should not be oriented toward parties because there are no large parties in Ukraine—an argument voiced at several Supreme Council sessions—are merely "nomenklatura's sly tricks" aimed at adopting "a suitable law." Chornovil emphasizes that "if democratic forces lose the upcoming elections, they will lose Ukraine."

Assessing the current government's policies, the Rukh chairman points out that "it is hard to understand if there is just simple incompetence behind their actions or planned sabotage." In Chornovil's opinion, the government "persistently chooses the worst variants from the available spectrum of measures." He stresses that the nation is impoverished to such an extent that experiments such as the recent price hike are "simply inadmissible." Chornovil says that there have been telephone calls to Rukh offices throughout Ukraine requesting support for launching strikes. Some "hot-blooded" people are even "ready to destroy and demolish." In Chornovil's opinion, the ruling nomenklatura might be provoking unrest in Ukraine to provide justification for "reconstituting dictatorship" and retaining power.

Responding to accusations that "democrats have led the country to a critical state," Chornovil says that "no democrats are in power" and "scarce" representatives working in local administration cannot "change the weather."

Answering a question regarding his participation in presidential elections, the Rukh leader maintains that the primary task is winning the Supreme Council elections "at all costs." He wants to avoid a situation when democrats "wrangle over nominating candidates for president." Chornovil emphasizes that democratic parties finally reached an accord and signed an agreement on common electoral policies at a 7 December conference. He says that if the Rukh manages to receive 25 percent of the legislative seats, then, together with the seats of other democratic parties, this might mean a "victory of democracy" in Ukraine.

Commenting on a program broadcast on Moscow Ostankino Television on 7 December and devoted to the economic situation in Ukraine and Russian Deputy Prime Minister Gaydar's remarks that "no party in Ukraine has an economic program," Chornovil points out: "Gaydar has not read any of these programs; he just expressed a thought that crossed his mind. The situation in Russia is not much better and reform there is not very advanced either. The very heart of Russia has already been on the verge of hunger and urgent measures were taken in Perm Oblast, and other regions. For some reason, however, Ostankino does not mention these things." The Rukh leader adds, "Ukraine is in a difficult situation, but Russia would do better to assess its own state."

Speaking about corruption in high places, Chornovil says that "officials who used to steal millions are now beginning to steal billions" and depositing the money in secret foreign bank accounts. He points out that he knows the names of some ministers from the Fokin government, and "those who came later," who have such accounts. He presented these documents to the Prosecutor's Office which, Chornovil claims, only played down the affair.

Asked about his opinion on forming a free economic zone in Transcarpathian Oblast, the Rukh chairman says that experts made all the necessary calculations and came to the conclusion that forming a free economic zone around the railway junction in Chop might be advantageous, but turning the entire oblast into a zone would be inadvisable and would bring no economic effect whichsoever. According to Chornovil, this project is just a "delusion" and a pretext for separating Transcarpathia from Ukraine.

A listener calling from Sumy Oblast blames democrats for not boycotting the 1991 Supreme Council sessions, in which case the legislature would have been unable to adopt legitimate resolutions, and for supporting President Kravchuk. Vyacheslav Chornovil responds by saying that had democrats abandoned the Supreme Council at that time, the ruling majority would have introduced amendments to the Constitution stipulating that legitimate resolutions could be adopted by a reduced legislature. Following this, the democratic opposition would have had absolutely no influence on political developments in Ukraine. Chornovil stresses that the democratic faction in the legislature is in opposition to President Kravchuk: "We believed in some of the president's promises and supported him once, but his words proved meaningless. The president promised to take into account our recommendations while nominating his representatives in oblasts and rayons, then he appointed all the old apparatchiks to these posts."

The program concludes at 1400 GMT.

Christian Democrats To Mediate Unification Plan

WS1012095293 Kiev VECHIRNIY KYYIV in Ukrainian 4 Dec 93 p 1

[Report by Svitlana Synyakova: "The Christian Democratic Party Counts on 100 Seats, or Even More"]

[Text] At a briefing devoted to the participation of the Christian Democratic Party of Ukraine [KhDPU] in legislative elections, it was announced that the KhDPU is counting on 100 seats or even more. In the opinion of KhDPU leader Vitaliy Zhuravskyy, Ukraine has reached the point that, once crossed, agony begins. Among the reasons is the authorities' unwillingness to implement radical economic and political reforms, and the desire to follow exclusively interests of their caste. The antidemocratic electoral law and the fixed hard currency exchange rate are the latest achievements of those magnates. This confirms the fact that they have lost not only common sense but also the self-preservation instinct. Of course, provided that they intend to live in Ukraine, not abroad. One cannot expect that the authorities will change their stance. The only possible solution, according to the leader of KhDPU, is to ensure, if not a victory, then at least not a defeat of the democratic forces in the elections for the Supreme Council.

Unfortunately, democrats are dispersed, at odds with one another, and overambitious; however, there are no substantial discrepancies among them, believes the KhDPU leader. They all strive to establish a democratic and lawful state based on the market economy. However, the Congress of National Democratic Forces [KNDS] considers the protection of statehood, at all costs, its main goal, sometimes forgetting about the expediency of radical reforms. New Ukraine, on the other hand, decisively advocates economic restructuring, somewhat loosing the state-building aspect of reforms. Rukh endeavors to combine these two aspects, however its relations with KNDS are complicated. In general, the psychological barriers between the Democrats' leaders impede agreements on a joint electoral platform and unification of democratic forces, which would prevent the threat of a totalitarian regime.

KhDPU does not have such barriers. Therefore, Christian Democrats have expressed their readiness to become mediators, to reach a mutual understanding and a truce among democratic parties and organizations.

The situation during the elections will be extremely unfavorable, warned KhDPU Secretary Ihor Losiv. He assessed the new electoral law as rude blasphemy. As an example, he pointed out the articles that allow entire electoral districts to be exempt from control. Additionally, many points of the electoral law require additional explanations, which could completely change their definition. Such clarifications rest with the Central Electoral Committee, whose composition raises a great deal of doubts among democrats about objectivity and lack of conservative political preferences.

Nevertheless, KhDPU plans to appoint no less than 100 competitive candidates in all regions, including Kiev and the Kiev Oblast. Domestic and foreign journalists attending the briefing were told by Mykhaylo Hutor, deputy chairman of the party, that state officials had received a secret directive on preventing Christian Democrats from the media. Thus, the party will rely only on independent sources in the electoral struggle.

The party has prepared an electoral program, whose focal point is the individual. To protect their interests, those party members who will win seats in the legislature, will form a faction. This will be the cradle of a strong opposition to the party of power.

KhDPU, despite the efforts by the designers of the new electoral law, has decided to run for the legislative seats as a party. This is the only such case in Ukraine so far. The KNDS, as is known, is going to support not members of the Ukrainian Republican Party or other political organizations belonging to the congress, but "certain people, regardless of their party membership." Rukh will define itself at the Fifth Congress.

Republicans Examine Electoral Strategy, Platform

WS0912153893 Lvov RATUSHA in Ukrainian 4 Dec 93 p 2

[Report by Maryana Chorna: "The Lists Are Kept Secret. But the Platform Has Cleared Up"]

[Text] As part of the preparation for the upcoming elections, the Ukrainian Republican Party, URP, members gathered in Kiev at their nationwide congress. The conference centered on the party's electoral strategy and platform. For the time being, the candidates decided not to disclose the lists of their candidates. However, it was communicated as to which of the URP members would not run in the campaign. Mykola Lukyanenko is one of them. He said: "Given the present situation, I believe I have no right to waste three months for my personal campaign. My task is to help as many democratic and centrist deputies land in the parliament as possible." When asked why he quit his ambassadorial post, M. Lukyanenko said that while the Ukrainian Embassy was building and expanding, the very state for which this was done found itself in jeopardy. So he returned home to reconcile estranged democrats and to help those who can deliver the country from the crisis to win the elections. Commenting on the political situation, Mr. Lukyanenko said that it would be best if all democratic forces of the centrist orientation, from liberals to the URP, united into one alliance against the common enemy—imperialistic Communists.

In his report, Mykhaylo Horyn identified the main problems. First, there is an ever-increasing activity of Communists that has reached the critical point. Another problem is that of separatism and pro-Russian influence—especially acute in eastern and southern Ukraine, and even in the Trans-Carpathian region. The 14th Army stationed in the Transdniester region was reinforced. The Rusins [self-described ethnic minority] hold sway in Uzhhorod, not to mention the Crimea. The threat that we might have four or more states instead of one is becoming more realistic. Speaking on economic matters, Mr. Horyn stated that the pervading chaos in the economy proved a kindling ground for the mafia and corruption. As for taxes, it seems that only the mob collects them from commercial structures. No one even thinks about economic reconstructuring. Mr. Horyn bluntly pointed to all the mistakes of the democratic forces, citing Ivan Franko, who once wrote about the "inert, sentimental, and clumsy nation devoid of strength and willpower, full of petty squabbles, egoism, and arrogance, and with no prominent personalities to lead it." We should get rid of all this. We need a broad-based alliance ranging from the Ukrainian Social Democratic Party to the Congress of Ukrainian Nationalists [KUN]. This alliance, however, would be temporary due to too many differences among those parties. The most complicated issue is, of course, how to put together electoral lists of legislative candidates. Sounds good, but will the rest listen to this? No one knows what the Rukh [Ukraine People's Movement], the Ukrainian Democratic Party, the KUN, or the Party of Democratic Rebirth of Ukraine think about this idea. In any case, Mr. Horyn warned his fellow party members against initiating any fighting, which would be a deadly sin.

Next on the agenda was the electoral platform. Most of the participants were horrified to see the hefty sheaf of papers. The document was written very professionally, but unfortunately, in a little comprehensible way because of too much attention to details. The delegates were reassured that this was only a detailed concept and that every organization could reduce it to a digest. We mustered all of our patience and set out to pore over this piece of art. Some 70 percent of it was devoted to economic issues that can be boiled down to two main points. First, the economy should be restructured in ways that would eliminate its dependency on the former empire and Russia. URP economists should take credit for not falling into the trap of the "Ukraine Is an Agricultural State" slogan. They realized that we would not get anywhere by emphasizing food production only. The example of third-world countries proves that. So food should be a domestic priority, with machine-building, transportation, metallurgical industry, electronics, instrument- making industry, chemical complex being oriented toward abroad. Finally, the problem of fuels and energy was presented in a clear and unequivocal manner. No more mythical oil terminals—dependency on Turkey is not any better than on Russia. We should opt for extra-deep drilling in the Azov and Black Seas, where deposits of oil and gas exist. At long last, at least some politicians consulted with geologists before making any projects...

Second, the country needs genuine reform. The URP was quite explicit on this issue—it has no intention whatsoever to build capitalism and socialism at the same time. It wants to build capitalism of the post-industrial type which would be based on privatization of at least 70 percent of the state property, with no Gaydar-invented 5-percent-for-vouchers tricks. If we want to privatize, we must simultaneously demonopolize, because the monopolist on the market means sky-rocketing prices. There should be a unified tax system and normal customs policies, under which only those who export illegally would be prosecuted. The bureaucrats should be driven away from the "profitable trough of export licenses." In one word, we need a consistent market system with social protection for the disabled, pensioners, students, etc. One of the document's drawbacks was restructuring that was not linked with market-oriented transformations—something immediately noted and criticized. Mr. Shybiko explained to the people that that was not a final draft, and that by 9 December, the party would come up with a program of emergency measures. This calmed the people—at least the audience. To be perfectly honest, it is hard to predict the consequences caused by the implementation of this program. An uprising is one of the possible outcomes, because the growing production would be accompanied by rampant unemployment among bureaucrats in charge of distribution channels. The part on social protection says nothing about it. Political priorities are well-known—the independent Ukrainian state; political reform; no talkative local soviets; direct elections of the mayor and oblast administration by the entire population; the jury in courts; long- term appointments of judges and their immunity; a multi-party system instead of the "swamp" steered by princelings; and, of course, exit from the CIS and orientation toward Europe. The program did not arouse particular discussions. All the more so that, as was explained, the delegates were supposed to submit their proposals within 10 days.

Belarus

Minsk Strike Committee Holds Session

Decides To Resume Activities

WS1012111293 Minsk DOBRY VECHAR in Belarusian 7 Dec 93 p 1

[Report by Ales Knyazyuk: "Minsk Strike Committee Resumes Activities"]

[Text] Former members of the Minsk Strike Committee [MSC] have convened a meeting. Representatives of 18 Minsk enterprises participated in its work. The participants of the meeting have adopted a decision to resume the MSC activities that were suspended after the April-May 1991 strikes. The session has adopted an appeal to Belarusian citizens regarding the necessity of holding an all-Belarusian political strike demanding the dismissal of the government, and the holding of early Supreme Soviet elections. This issue will be discussed at a session of the Republican Strike Committee on 11 December 1993.

Appeals For Political Strike

WS1012121893 Minsk NARODNAYA GAZETA in Belarusian 7 Dec 93 p 2

["Text" of appeal of the Minsk Strike Committee to Belarusian population on holding an all-Republic political strike: "We Should Carry 1991 Strike Through"; adopted on 3 December 1993 in Minsk]

[Text] Everyone is aware of the fact that the Belarusian economy is on the edge of bankruptcy. Our nomenclature is ruining the productivity of several generations of Belarusians. For example, more that 4.5 million tonnes of fuel, some 40,000 tonnes of copper, and about 10,000 tonnes of nickel were exported from Belarus over the second half of 1992. These figures account for a year's requirement by our industry in the aforementioned metals and a six month supply of energy resources.

A shadow financial system aiming at appropriating an added product value has been created. This has brought our wages to the lowest level among the CIS states. Artificial prices and the lack of our own currency tears down our inner market. Let us recall that not long ago we helped Poland live through hard times by cheaply selling our goods there. Currently, many Belarusians have become permanent traders in Russian markets, and they sell goods that we are short of. Lack of reforms and the preservation of the old party nomenclature account for these frustrating facts.

We have no one we can address, so, we are addressing the Belarusian people. Prices are climbing, apartments are not heated, people fall into despair. The Kebich government, which had done everything to polarize our people, can only cynically say: "Go to work, things will be all right." Are we robots? Should we put up with this?

The Minsk Strike Committee [MSC] is addressing all Belarusian workers. We should carry the 1991 strike through. In 1991, our nomenclature was just frightened, however, they managed to keep their chairs. We should struggle not for free cheese, but for reforms which would permit us to work better. We hope that workers will be joined by other spheres of our society.

We are addressing our intelligentsia. You should join us in the squares with your high words about our Motherland and Freedom. Always and everywhere, intelligentsia has been the cream of society. To our regret, this was not so in Belarus. Can you agree with such a situation?

We are addressing our teachers. If you continue demanding the implementation of the "Law on Education" you will not reach any goal; the acting government will never implement this law. You should not ask for leftovers from their tables. Does it not seem to you that you are behaving like bad students?

We are addressing managers of Belarusian enterprises. Can you provide your workers with normal wages? You are being oppressed by taxes, contracts, and obligations. Why do you not support your workers who cannot feed their children? Remember that if not you, then your children will have to begin the economic restoration of Belarus if the present government stays in power at least for one or two more months.

Can our agricultural sector workers sleep while their land is being used for constructing private residences for nomenclature children? The Cabinet of Ministers and the Supreme Soviet majority are wrecking the agricultural sector. Are you all blind?

Through no fault of our doctors, who are the poorest in the world, sick people have been left without medicines, while Mafia clans are filling their pockets with money.

It is high time for us to recall all these facts and make a decision. Next, cowardice and despair will leave our souls. The time for action has come.

We are addressing our dear compatriots on the matter of holding an all-Republic political strike.

Implementation of reforms and the betterment of people's life is impossible under the Kebich government. An interim government should be created, and early Supreme Soviet elections should be held.

We are addressing you with a proposal to create strike committees within enterprises and institutions. Refer your representatives to the MSC. Please, phone us: 275778, 271316.

We are counting on your political sense, solidarity, and intelligence. Please, remember that, according to the Constitution, the Belarusian people run the state.

Long live Belarus!

Parliamentary Faction Advocates Presidential Rule

PM0912141793 Moscow ROSSIYSKIYE VESTI in Russian 8 Dec 93 p 3

[Item from roundup of ROSSIYSKIYE VESTI and ITAR-TASS reports under the "Commonwealth" rubric: "Will Belarus Have a President Too?"]

[Text] Minsk—The biggest parliamentary faction in Belarus—the "Belarus" Association of People's Deputies—has submitted an appeal to the Supreme Soviet articulating the need to introduce presidential rule in the Republic.

Proceeding, they say, from a detailed scientific and practical analysis of their own and other countries' experience, members of the "Belarus" Association Coordinating Council believe that because there is now a pressing need in the Republic to reform the executive branch, in particular, and because a new constitution and new electoral laws are being adopted, presidential elections should be held in spring 1994. Those advocating this position justify their view by saying that the present transitional period requires active and vigorous state regulation, and hence there should be no delay in electing a president. The introduction of a presidency, the authors of the appeal believe, will impart a qualitatively new status to the executive branch which will be an extremely important prerequisite and condition for improving the situation in the country.

Deputies Debate Constitution, Law on Political Parties

WS0912121993 Minsk Radio Minsk Network in Belarusian 1100 GMT 9 Dec 93

[Text] Deputy Supreme Soviet Chairman Vyacheslav Kuznetsov opened today's Supreme Soviet session. As usual, the deputies began debating miscellaneous issues. Each of the deputies who delivered reports drew the attention of the audience to our everyday sore issues. For example, People's Deputy Plotski was concerned with employment of workers of MOSTODREW Association. People's Deputies Zarytski and Prokopovich were worried about the frustrating situation within the agricultural sector. Later, the deputies backed the proposal of the government to dismiss Minister of Culture Voytovich in connection with his nomination to the post of Belarusian ambassador to Lithuania. Next, the deputies went on to discuss a draft of the new constitution and the draft law on political parties in the second reading. Anatol Vyartsinski, deputy chairman of a legislative commission, presented the revised version of this draft law. At the moment, the deputies continue debating the issue.

Servicemen Association Leader Reviews Congress

WS0912151693 Minsk DOBRY VECHAR in Belarusian 6 Dec 93 p 2

[Interview with Ales Stankevich, chairman of the Minsk City Council of the Belarusian Association of Servicemen, by Ales Mikalaychanka; place and date not given: "Ales Stankevich, chairman of Minsk City Council of the Belarusian Association of Servicemen: 'We Will Become Free When We Stop Being Slaves'"]

[Excerpts] You know that the second congress of the Belarusian Association of Servicemen was held not too long ago in the Writers' House. The author of this article has asked Ales Stankevich, chairman of Minsk City Council of the Belarusian Association of Servicemen [BAS], to answer a few questions.

[Mikalaychanka] Mr. Stankevich, what is your opinion on the second BAS congress?

[Stankevich] It was held in a businesslike atmosphere. We have introduced some changes and amendments to the BAS statute, adopted two statements, an appeal to the population of the Republic, and discussed a variety of routine issues. We have done a good piece of work.

[Mikalaychanka] In my opinion, the report of BAS Chairman Mikola Statkevich and reports of other BAS members contained one concept: The acting government is antipatriotic. Some people even accused it of treason.... To my mind, the BAS and the Belarusian Cabinet of Ministers are in a permanent standoff.

[Stankevich] We have entered this phase of relations only lately. On 7 September 1993, the government published its official statement on its negative attitude to the celebration of the National Day of Belarusian Military Glory; on 5 November, the same government issued an appeal to the citizens of the Republic of Belarus in which it slung mud at us: The appeal claimed that the Belarusian Popular Front and the BAS were creating combat volunteer forces and were going to carry out armed actions to either throw down the government or seize power. What should be our attitude toward such a government?

[Mikalaychanka] The BAS congress has adopted a statement that reads: "Only due to the decisive actions taken by BAS and other democratic forces and the tolerance of the Belarusian people, have the dreams of the Cabinet of Ministers not come true." Mr. Stankevich, are you really seriously saying that the government dreamed of creating an explosive social situation to introduce an emergency situation in the Republic and to ban the activities of the democratic opposition, which is going to raise the issue of governmental responsibility for the bankrupt economic policy?

[Stankevich] Yes. We are sure that the government wished to realize these plans. This was proven by the presence of a three-column special militia detachment and military hardware on the Square of Independence on 9 November. The BAS members felt that a big provocation was being prepared by the government. In our opinion, the government could have attacked the democratic order on that evening of the first working day of the session. For example, we noticed that metal barriers separating people from the Government Houses were replaced by rows and rows of special militia forces. Some provokers in the crowd could have attacked people's deputies when they were leaving the Government Hall. It could have come to blows. This would only recall the events at the Moscow cemetery on 30 October 1988. To ruin those dangerous plans, a column of BAS supporters was put in front of the special militia forces. Hence, the meeting of people with Supreme Soviet deputies went on peacefully. Adventurers did not dare start their planned provocation. Moreover, members of this special militia detachment understood our intentions and even thanked us for our assistance in maintaining public order in the square. As a result, militia officers, along with our forces, prevented the implementation of black plans of the Cabinet of Ministers regarding the abolishment of the weak sprouts of Belarusian democracy.

[Mikalaychanka] I feel that you, being a military man, respect the militia and servicemen....

[Stankevich] Yes. In my opinion, Minsk militia officers have grown wiser of late. My friends who are militiamen speak sincerely of their unwillingness to participate in political infighting. They see their duty in combating the escalating crime rate.... The BAS, representing the patriotic movement of active-duty and retired servicemen, is deeply concerned with maintaining public order in the Belarusian capital. I am amazed to hear that someone in high places opposes our decision to create volunteer detachments to aid militiamen in their keeping public order. Still, the Minsk City Executive Council has approved our decision, though some bureaucrats still ban the implementation of this initiative. We had almost agreed on joint (with militia officers) patrolling of streets in Zavodskoy Rayon, however, at the very last moment we were asked not to interfere with militia affairs. You had better look into the record crime rate in Zavodskoy Rayon.... It is truly alarming! [passage omitted]

[Mikalaychanka] Mr. Stankevich, we are living through a very unfavorable time for Belarusian patriotism. It is time for patriotic nihilism. The state is ruled by collaborators.... At any rate, it would please me if BAS ideas were taken to heart by the Belarusian people.

[Stankevich] You are right. The current moment is unfavorable for us. We can witness how the High Command of our Armed Forces has unfolded persecutions of patriotic servicemen. DOBRY VECHAR has repeatedly published articles on this issue. Ideas of reviving the former USSR and a derisive attitude toward our national history, culture, and native language are prevailing within some youth organizations. An idea of nobly serving one's motherland is not dominant in our secondary schools. In addition, some elements of the media, which have been bought by our Cabinet of Ministers, are waging a real war against the BAS. At the same time, we have no chance to publicly respond to their accusations. Nevertheless, we are maintaining hope that the time will come when all Belarusian citizens, despite their national affiliations, feel themselves conscious of being sons and daughters of this land called Belarus. Only our joint efforts can raise the state from its knees.... We will be able to breathe freely when we stop being slaves to anyone. God help us!

Guard Chief Says Russia Pays for Border Maintenance

WS1012095493 Minsk Radio Minsk Network in Belarusian 0400 GMT 10 Dec 93

[Text] One of the Belarusian-Russian agreements outlines the need to strengthen the western Belarusian border. Lieutenant General Yergeniy Bocharov, head of the Border Troops Department at the Belarusian Cabinet of Ministers, said to BELINFORM that the Belarusian border with Poland does not require strengthening, while the protection of the borders of Baltic states presents great difficulties for the Republic. According to Bocharov, the Russian Federation is currently contributing its share of financial resources for strengthening the common border. In addition, Russia has begun to pay off debts to Belarus for servicing and repairing customs check points and other facilities.

Russia Remains Major Trade Partner

LD0912195493 Moscow ITAR-TASS in English 1702 GMT 9 Dec 93

[By BELINFORM Correspondent Mikhail Zhuravovich for TASS]

[Text] Minsk December 9 TASS—Russia has always been and remains Belarus' major trade partner, Vladimir Radkevich, chairman of the Belarussian state committee for foreign economic relations, told a news conference in Minsk on Thursday.

Radkevich said Russia accounts for 68 per cent of Belarus' total trade turnover and for 100 per cent of its oil imports. He said Belarus has reached agreements to buy oil in several other former Soviet republics but their implementation is being compounded by transportation problems and other factors.

Speaking about the main guidelines of the republic's foreign trade in 1994, Radkevich drew the attention to the importance of economic integration, revival and strengthening of the Commonwealth of Independent States, and the establishment of an economic union which would create a common economic, customs and currency space.

Moldova

Death Sentence Issued in Tiraspol Case

Reporting on 'Illegal Court' Sentences

AU0912173493 Bucharest ROMPRES in English 1640 GMT 9 Dec 93

[Text] Chisinau ROMPRES 9/12/1993—Ilie Ilascu was sentenced to death by shooting by the jurors of the illegal court of Tiraspol. For the other members of the group of Romanian patriots that made the object of the mock trial staged by the self-instated authorities of the so-called Dniester republic on the territory of the Republic of Moldova, the following sentences were pronounced: Andrei Ivantoc and Petrov-Popa—15 years of jail; Alexandru Lesco—12 years; Petru Godiac—2 years; Valeriu Garbuz—6 years' jail.

The accused have been denied the right to appeal, the correspondent of radio Chisinau, who attended the trial, informs.

Snegur Considers Sentence 'Null and Void'

AU0912202093 Bucharest Radio Romania Network in Romanian 1800 GMT 9 Dec 93

[Statement by President Mircea Snegur on the Tiraspol sentence against the Ilascu group in Chisinau on 9 December—recorded]

[Text] On 9 December 1993, the nonconstitutional court of the self-proclaimed Moldovan Dniester Republic, which has not been recognized by the world and international organizations, pronounced the sentence of certain citizens of the Republic of Moldova who were arrested in May-June 1992 and known under the name of the Ilascu group.

Ever since they were arrested and the moment the trial began, the president of the Republic of Moldova, the parliament, the government, and other state and civic bodies repeatedly demanded that the authorities of the pseudo-republic transfer the political detainees to the judicial authorities of the Republic of Moldova, a constitutional legal body.

Calling the trial—at the request of the leadership of the Republic of Moldova—of the so-called Ilascu group a political and legal farce, the United Nations, the CSCE, the Council of Europe, the higher legal bodies in several countries, international nongovernmental organizations, and state and political figures appealed to the Tiraspol authorities, demanding that the laws of the Republic of Moldova be observed.

The Tiraspol trial polarized the attention of world public opinion due to extensive coverage by the media throughout the world, which assessed it not only as a legal farce, but also as an unhumane move that is harming the basic and unanimously recognized human rights and freedoms, such as the right to life, freedom, and legal protection.

These appeals, however, were not heard—deliberately not heard; they were absolutely ignored by the authorities of the pseudo-republic, which continued the trial under conditions for the detainees that resembled those during the inquisition until the pronouncement of the sentence by trampling on the law of common sense with a cynicism unparalleled in the world.

Thus, the Tiraspol authorities once again demonstrated that they have installed a dictatorial regime in the eastern rayons for which the generally human values, such as democracy, freedom, justice—whose advocates they pretend to be—do not mean anything.

The fact that the Dniester authorities totally ignored the request by the leadership of the Republic of Moldova—which has been recognized by the world community—which proposed that the political detainees be handed over to the legal, constitutional authorities as a first step toward peacefully eliminating the differences in the eastern rayons, and did not take into consideration the opinions of the president of the Russian Federation, Boris Yeltsin, namely that new favorable conditions have been created for the process of solving this conflict by peaceful means, constitute a serious warning for humanity.

This dangerous precedent may lead to the destabilization of the political situation not only in the Republic of Moldova, but also in other parts of the world. The guilt for this political and judicial farce rests on the leaders of the separatists in Tiraspol, Igor Smirnov and Grigore Maracuta. Sooner or later, they will have to account for their actions in front of the people and history.

This defiance of world public opinion requires a firm response to lead to the nonacceptance of the execution of the sentence.

The leadership of the Republic of Moldova relies on effective international support to counteract this unprecedented anarchy of the secessionists' leaders and views this sentence as null and void and as a trivial provocation; at the same time, it guarantees that in the future it will also do all it can to have the detainees transferred to the constitutional authorities of the Republic of Moldova.

Yeltsin Envoy Makes Appeal

AU0912192693 Bucharest Radio Romania Network in Romanian 1800 GMT 9 Dec 93

[Report by Mircea Dascaliuc from Chisinau]

[Text] This evening, Nikolay Medvedev, chief of the Department for Territorial Administration of the Presidency of the Russian Federation, sent the following appeal to the parliament of the Republic of Moldova:

As special envoy of the Russian president, empowered by Boris Yeltsin to undertake mediation efforts with a view to a rapid political settlement of the conflict in the Dniester Republic, I am appealing to the leaders of the Republics of Moldova and Dniester to refrain from any steps that could render difficult the achievement of a lasting peace in the conflict in that area.

Considering primarily humanitarian aspects, I call on the authorities of the Dniester Republic to show leniency toward the people arrested during the tragic events of last summer—toward the so-called Ilascu group—and to hand them over to the legal authorities of the Republic of Moldova. I suppose that this act of goodwill would contribute to strengthening trust among all and creating a favorable atmosphere for seeking a political solution to the conflict, the appeal by Nikolay Medvedev, President Boris Yeltsin's special envoy, concludes.

Druc on Sentence

AU1012122893 Bucharest ROMPRES in English 1059 GMT 10 Dec 93

[Text] Bucharest, ROMPRES 10/12/1993—Former premier of the Republic of Moldova and acting president of the National Party for Reintegration Mircea Druc made the following statement in relation with the sentence passed in Tiraspol:

"It is a total failure of the Chisinau leadership. I had no doubt that the Romanians would be sentenced to death in the Tiraspol trial. It will be a hard experience for all of us, for the aim is to bring destabilisation as the sole chance of the separatist forces. The sparking of armed battle is pursued instead of an election campaign in Bessarabia. Tiraspol and Moldova are favouring the Tajikistan and Abkhazia version for the Republic of Moldova. Only world public opinion can help now for this crime not to be committed. Any Romanian, wherever he lives, must insistently and steadily take demarches with Russia and the United States. If Western democracy still means something, it would not allow the execution of a hostage with a symbol name: Ilie Ilascu."

FPCD Leader Discusses Detainees' Situation

AU0912192893 Bucharest ROMANIA LIBERA in Romanian 6 Dec 93 p 3

[Interview with Iurie Rosca, executive president of the Christian Democratic Popular Front of the Republic of Moldova, by Corneliu Vlad; place and date not given: "We Have To Continue To Do Our Duty"]

[Text] Ilie Ilascu is the second and his lawyer the third on the list of candidates of the Christian Democratic Popular Front [FPCD] for the 27 February elections. The Front's current leader, Iurie Rosca, will comment on the significance of this event and on the political character of the mock trial in Tiraspol.

[Vlad] What made the leadership of your bloc place Ilascu and Vozian at the top of the list of candidates?

[Rosca] We hope that placing them at the top of the list will intensify the struggle for the release of the Romanian patriots in Tiraspol. We believe that not everything is lost yet and that a last effort has to be made to bring about their release. Mr. Vozian is also a professional who is needed by the Chisinau Parliament.

[Vlad] I note the document signed by Ilie Ilascu whereby he accepts his inclusion on the list of candidates. How were you able to obtain this document?

[Rosca] It was very difficult get possession of this document. It surprised everybody, including our opponents. But this document is genuine. Thus, from 9 November, Ilascu also has the status of candidate for the elections.

[Vlad] What is your opinion about Garbuz's error regarding your Front's alleged terrorist actions?

[Rosca] These errors are very well set up. Those who had the opportunity to read the so-called letters by a Romanian Securitate officer that were published about half a year ago in Cernauti (Chernovtsy) and Odessa were able to realize that the author of these enigmatic letters and of the speech written for Garbuz—it is clear that he did not write it himself—is the same institution or the same man. Maybe closer to Chisinau than Tiraspol, there is, again, talk about terrorists trained in Romania, about the Popular Front as a terrorist organization, and about Mircea Druc [president of the National Reunification Party] as the one who embodies all the wrongs, and so forth. The scenario and reasons are the same. Garbuz did not even try to talk about this trial. He read a political declaration from the beginning to the end.

[Vlad] How do you actually explain the fact that the pronouncement of the sentence was postponed?

[Rosca] I think that explanation is simple. It can be sought also in the history of this trial that began more than half a year ago. Our opponents who staged this trial did not expect it to be internationalized and known by everybody, not only in Romania. They did not expect international organizations and nongovernmental institutions to react to it. Thus a very sensitive situation arose for those who are detaining these people, especially after the Central Electoral Commission announced that Ilascu was running in the elections.

There are three alternatives in this situation, all of them advantageous for the FPCD. The first: To shoot him and make a martyr of him. The second: To release him and permit him to continue his political struggle on the radio, television, and during meetings with people. And the third: To sentence him to imprisonment of a few years or 15 years. And again this is advantageous for us—if I may say so—and to the disadvantage of those who put him in prison.

Certainly, when making all these considerations, I am not oblivious to the suffering of these people who—as I have said before—represent the Romanian nation's integrity at this time. This is understood and talked about each day by the whole of Romania. But, as you can see, this was counterproductive. Those who are against us and are trying to smother the national liberation movement in Bessarabia wanted to turn this trial into a moral defeat for all of us, especially for us in Bessarabia whose ambition it is to continue to struggle by disregarding a momentary lack of success and despite the fact that some among us died in the war, are left in the street or are threatened. Thus, this trial had to have a different outcome for them. Instead, the effect at the international level is favorable for our liberation movement. Hence the confusion in the final stage of the trial. Everybody expected the capital sentence, a public execution; but instead, the conclusion of the trial was ridiculous and pathetic. And it is not even the end. This is why we have to continue to do our duty, we have to struggle for the release of those prisoners. As Ilascu said, and he knows what he is talking about, I do not know if those in Tiraspol, together with their accomplices in Chisinau, some of them public figures, will have the courage to shoot Ilascu and the others, because they are too cowardly. When they threatened Ilascu by saying: "Look at yourself, you are dead!" he laughed, saying: "Look at yourselves, while you are saying these things, you are trembling. Why are you, who are keeping me in prison, trembling?" And there is another detail. He did not even lose weight. He is still sturdy and vigorous! The moral strength of this man cannot be broken, not even through starvation or execution. He cannot be defeated. They have to give in, even if only out of a sense of conservation. Not because we are great or foolish enough to plot revenge; this is something of no interest for us at all. But their fear is so great, and they are such cowards that I think they will not dare do it.

Snegur Says Moscow 'Reconsidered' View on Transdniester

LD0912203393 Moscow INTERFAX in English 1667 GMT 9 Dec 93

[From the "Presidential Bulletin" feature; by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko]

[Text] Following the October events, Moscow has reconsidered its view of the Transdniestrian situation, Moldovan President Mircea Snegur said on the national radio. In his words, Russia is now "facilitating a constructive dialog between Chisinau and Tiraspol" by mediating in it.

He thinks that "Russia is trying to help the two sides in finding a solution to the problem which would conform to the desire of most residents of the region to live in an independent and united Moldova."

He rejected the view that the current leadership of the country discouraged closer relations with Romania. He said that cooperation of the two countries continued, "there are numerous examples of that."

In the meantime, state secretary of the self-styled republic of Transdniestria Valeriy Litskay says that peace talks between Tiraspol and Chisinau are "doomed to failure."

He said that experts on both sides were unlikely to reach agreement on Transdniestria's status because of substantial differences and a lack of flexibility. The state secretary says there can be no tangible results unless Chisinau and Tiraspol start moving towards each other.

On last week's series of talks in Bendery mediated by Russia, Litskay described them as preliminary.

Army Commanders Accused of Corruption

LD0912204193 Moscow ITAR-TASS in English 1744 GMT 9 Dec 93

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Chisinau December 9 TASS—Nicolae Kirtoake, former military adviser to the Moldovan president, dismissed reports by opposition publications saying his resignation had been prompted by differences with President Mircea Snegur. In a statement released on Thursday, Kirtoake stressed that he had stepped down with the president's consent in order to consolidate centrist forces ahead of parliamentary elections in the Republic.

The former military adviser's statement was prompted by reports in opposition newspapers alleging that Kirtoake could not put up with corruption and other abuses flourishing in the Moldovan National Army with tacit consent from the Republic's leaders. These are the accusations made by Moldova's former military chief of staff Nicolae Petrike against Defense Minister Pavel Kryange and his closest aides.

Kirtoake described these accusations as "destructive and useless, since they are not followed by proposals as to how improve the situation".

People's Front Runs Campaign Against Defense Minister

PM0912141993 Moscow IZVESTIYA in Russian 8 Dec 93 First Edition p 2

[Svetlana Gamova report: "Moldova: People's Front Against the Ministry of Defense"]

[Text] Chisinau—In Moldova, passions which flared up over the republic's military department are not dying down. The People's Front's newspaper, TARA, which has been publishing scandalous materials in all its issues, has created a storm that has pushed the election campaign into the background.

TARA is accusing the Defense Ministry, or more precisely its command, of "causing appreciable monetary damage to the state." The facts that it has published concern ties between Moldova's top military echelons and various commercial structures. The attention of the newspaper's journalists is focused on a deal between the Defense Ministry and the "Mals" firm, which acted as mediator in the acquisition of five civilian helicopters for the national army. The newspaper claims that the helicopters were bought "thanks to the allocation of a sum of 2.825 billion rubles out of the state budget, which affected the payment of wages to the junior officer personnel." In addition, at the time of the publication of these reports, "not a single helicopter figured on the table of equipment of the national army's military units."

The list of cases like this cited by the opposition newspaper is very extensive. Meanwhile, Defense Minister P. Kryange called these accusations no more than slander. Readers following the dialogue between TARA and the Defense Ministry see this as an attempt by the People's Front to remove a military minister whom it finds inconvenient.

Despite the seriousness of the accusations being made, Moldova's prosecutor's office has so far not made an assessment of the reports that have been published.

President Snegur Reviews Two Years in Office

AU0912123293 Bucharest Radio Romania Network in Romanian 1100 GMT 8 Dec 93

[Chisinau Correspondent Mircea Dascaliuc report]

[Text] On the occasion of the second anniversary of his election to the highest function in the state, Mr. Mircea Snegur, president of the Republic of Moldova granted an interview to the national radio station in Chisinau.

On this occasion, Mircea Snegur presented in general terms the social, economic, and political achievements of this period, when a particular emphasis was laid on what he called the lack of success in reestablishing the territorial integrity of the Republic of Moldova. Little has been done in the economic area, said Mr. Mircea Snegur, but we succeeded in maintaining ties with the former republics of the Soviet Union, and because of this we did not have to close our enterprises or increase the number of unemployed. The act of signing of documents regarding the creation of the economic union of the CIS countries can be qualified as a well-reasoned policy. We are importing energy resources only from the East, said President Snegur, because we do not have hard currency to procure them from other countries.

Then, referring to economic reforms, Mr. Snegur positively assessed the establishment of the necessary legal framework, the organization of auctions, distribution of ownership tickets, the introduction of national currency, and others.

Further he referred to issues of corruption, implementation of territorial reorganization projects, the situation in the Dniester region, and the assistance that the Republic of Moldova receives from several international bodies.

The reporter asked Mircea Snegur to express his viewpoint about certain criticism that has been voiced against the current leadership of the Republic of Moldova, to the effect that relations with Romania have cooled off recently. President Snegur answered as follows, quote, before blaming others that relations with Romania have cooled off, we must state that if a certain weakening of relations can be noticed this is due to the fact that there no further possibilities either in Romania or in Moldova. We are very grateful to Romania for supporting us day by day, granting us long- term credits, and supporting our numerous decisions of a cultural and economic nature. We are grateful for the humanitarian assistance, for supplying schoolbooks and arts and scientific books in Romanian in the Latin alphabet, to our educational institutions and our libraries. Nothing has changed in our relations with Romania. You can see the flow of goods, and the activity of limited companies. Thus, this is an unjust criticism. These problems will disappear when the treaty of bilateral relations between our countries is signed, when, as we call it, economic and cultural integration will be achieved, which will open up the path for broader actions. Thus, as we agreed upon on the occasion of numerous visits that we, I and Mr. President Ion Iliescu have paid to Romania and Moldova respectively, both sides have much work to do. Nothing has changed, not even in the so called elimination of Romania from actions to solve the Dniester region problem. We intend to have a CSCE mission participate in these negotiations and to return to the four-party mechanism when we reach a certain conclusion, when we are going to have a more or less coordinated project, said President Mircea Snegur in conclusion.

Kazakhstan

Supreme Soviet Cedes Power to President, Dissolves

LD1012074693 Moscow ITAR-TASS in English 0735 GMT 10 Dec 93

["Urgent" item by KAZTAG correspondent Ivan Zakharchenko for TASS]

[Text] Almaty December 10 TASS—The parliament of Kazakhstan voted on Friday to cede its legislative powers to the president until a new legislature is elected in March and decided to dissolve itself after the end of the current session.

The document which was adopted after heated debate allows the resident of the Central Asian republic to issue laws and "carry out, if necessary, the powers of the Supreme Soviet".

The lawmakers also adopted a law preserving for them all legal and social guarantees, which include parliamentary immunity, until a new legislature is elected on March 7, 1994. They instructed the government to find new jobs for them.

The administration of the parliament will continue working until new elections.

Parliament Votes To Disband Local Soviets

LD0912150393 Moscow ITAR-TASS in English 1424 GMT 9 Dec 93

[By KAZTAG correspondent Ivan Zakharchenko and ITAR-TASS correspondent Gennadiy Kulagin]

[Text] Almaty December 9 TASS—Kazakhstan's parliament voted on Thursday to disband local soviets in the republic.

The issue which was first raised on Wednesday sparkled heated debates in the parliament after the lawmakers switched to the discussion of the law on the republic's Supreme Soviet, ignoring the session agenda which urged them to debate the electoral code. Additionally, deputies neglected demands by a large deputy faction calling for the disbandment of the Supreme Soviet and local councils.

Passions were flying high when the session resumed on Thursday but were cooled off by President Nursultan Nazarbayev who said that the republic needs a new parliament and further moves should be based on this understanding.

After that the lawmakers adopted a law disbanding local councils (soviets) before the end of their terms. Their duties will be temporarily fulfilled by the heads of administrations, pending the election of new legislative bodies of power. The law comes into effect on December 10, 1993.

Nazarbayev Ends Soviets' Authority

LD0912180293 Almaty Kazakh Radio Network in Kazakh 1500 GMT 9 Dec 93

[Text] President Nursultan Nazarbayev has issued an edict on preterm discontinuation of the authority of local soviets of people's deputies of the Republic of Kazakhstan.

The edict reads as follows: To discontinue the authority of local councils of people's deputies ahead of time. Until the newly elected local representative power organs can start work, heads of oblast administrations and those of the cities of Almaty and Leninsk are responsible for implementation of necessary organizational, legal and material and technical measures connected with the discontinuation of authority of local soviets of people's deputies.

This decree is valid from the day of its publication.

Nazarbayev Concerned Over Dual Citizenship Issues

LD0912220993 Moscow INTERFAX in English 1937 GMT 9 Dec 93

[Text] Kazakh President Nursultan Nazarbayev expressed concern over unsettled issues on dual citizenship and two state languages which, as he said, arouses concern among the Russian-speaking population.

During his unscheduled speech at the Supreme Soviet session in Almaty Thursday, Nazarbayev declared his intention to submit this issue to the new parliament for consideration. Elections to this body have been scheduled for March 7, 1994.

The president returned to the session after the deputies presented their apologies for the incident during the morning sitting. Nazarbayev was accused, in particular, of "political intrigues which had caused the dissolution of local councils."

Nazarbayev emphasized that he wanted to preserve stability and unity in Kazakhstan. "I'd prefer that nobody, irrespective of his nationality, would feel himself a social outcast in the republic," he said. The president also declared the importance of Kazakhstan's mutual relations with Russia.

"We shall survive from the economic point of view without any union but we shall not be able to make Kazakhstan as a nation and as a state without unification with Russia from the strategic point of view," declared Kazakh leader.

Two Groups Demand Early Parliamentary Elections

LD0912182793 Moscow ITAR-TASS in English 1628 GMT 9 Dec 93

[By ITAR-TASS correspondent Gennadiy Kulagin]

[Text] Almaty December 12 TASS—The presidiums of the political councils of the "People's Unity of Kazakhstan" union and the "People's Congress of Kazakhstan" party issued a joint statement here today.

"The fact of the withdrawal of local soviets from the political arena is a law governed process," the statement says. "The self- dissolution of soviets has accomplished what as a matter of fact happened long ago: the soviet political system collapsed after playing its historic role," the authors of the document point out.

Leaders of the "People's Unity of Kazakhstan" and the "People's Congress of Kazakhstan" also believe that the Kazakh Supreme Soviet has a real possibility to go down in history as the parliament which being aware of its responsibility for the people and their future, found it necessary to hold early elections and adopted a corresponding law.

These two social and political organizations of Kazakhstan speak for the formation of a legal state with a presidential rule and for the legislative power acting on a permanent basis—the parliament of the country. Therefore these organizations are backing the decision of the current session of the Supreme Soviet of the republic on early elections at all levels of the representative power. Leaders of both organizations believe that in these conditions it would be logical to stop powers of the Supreme Soviet as well.

Kyrgyzstan

Parliament, Government React to Seabeco Gold Scandal

Issue of Confidence in Government Raised

LD0912141893 Moscow ITAR-TASS in English 1359 GMT 9 Dec 93

[By ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek, December 9 (TASS)—Kyrgyzstan's parliamentarians threatened on Thursday to bring a motion of confidence in the republican government and Prime Minister Tursunbek Chingyshev who is believed to be involved in shady dealings with the infamous concern Seabeco.

On Thursday the parliament discussed for the second day in a row the republic's gold reserves which have been airlifted to Switzerland by the plane belonging to the Seabeco president.

The prime minister denied all accusations, but some deputies claim that the "gold question" is only a tiny part of the iceberg of political struggle between reformers and the opposition. The question of confidence in the government is expected to be decided tonight

Parliament Discusses Gold Problem

LD1012110693 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 1700 GMT 9 Dec 93

[Text] The session of the Supreme Council continued its work on 9 December. Askar Sarygulov, chairman of the Republic's State Investment Committee, spoke on the national currency and social policy as well as Kyrgyz gold. Afterwards, a heated discussion was held on the problem of gold. Kemelbek Nanayev, chairman of the board of the Republic's National Bank, spoke on the investigation carried out by the National Bank on the problem of Kyrgyz gold.

Deputy Prime Minister Yesenkul Umiraliyev then briefed those present on the decline of production output at the gold processing combines in [words indistinct] and spoke about the situation at the Kumtor gold field.

Prime Minister Chyngyshev answered numerous questions of the deputies. The session will continue its work on 10 December.

Vice President Submits Resignation

LD1012073193 Moscow ITAR-TASS in English 0719 GMT 10 Dec 93

["Urgent" report by ITAR-TASS corespondent Boris Mainayev]

[Text] Bishkek December 10 TASS—Vice-President of Kyrgyzstan Feliks Kulov offered to resign on Friday for "ethical reasons" after the parliament accused the government of illegal gold deals.

He voiced his decision at a parliamentary session and submitted his resignation to President Askar Akayev.

The vice-president demanded that the government also resigns.

On Thursday Kyrgyz parliamentarians threatened to bring a motion of confidence in the republican government and Prime Minister Tursunbek Chingyshev who is believed to be involved in shady dealings with the infamous concern Seabeco.

On Thursday the parliament discussed for the second day in a row the republic's gold reserves which have been airlifted to Switzerland by the plane belonging to the Seabeco president.

The prime minister denied all accusations, but some deputies claim that the "gold question" is only a tiny part of the iceberg of political struggle between reformers and the opposition.

Akayev: Lack of Experience To Blame

LD1012111493 Moscow Radio Rossii Network in Russian 1000 GMT 10 Dec 93

[Text] At a Supreme Council session now under way in Bishkek, Askar Akayev, president of Kyrgyzstan, detailed his attitude toward the gold scandal and noted, in particular, that it was a mistake of his to have trusted the Seabeco firm in the fall of 1991 by issuing a decree to set up a committee, headed by the firm's President Boris Birnstein, for the reconstruction and development of the Kyrgyz economy.

According to Akayev, lack of experience is to blame. Askar Akayev said that in the context of the protracted discussion of the gold affair, the government needed time to prepare a program on the gold mining industry and also a package of measures to utilize the gold reserves. At the president's proposal, the session set up a new parliamentary commission to examine the circumstances surrounding the Seabeco affair.

Chyngyshev Issues Statement on Cash Situation

LD1012115293 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0000 GMT 10 Dec 93

[Text] The republic government has adopted resolution N576 dated 23 November 1993 concerning cash turnover in the Kyrgyz Republic during the fourth quarter of 1993.

It says that due to the lack of efficient measures aimed at the improvement of monetary circulation on the part of ministries, state committees, administrative departments, enterprises, and local state administrations, the situation with providing the population and enterprises with cash remains tense.

In order to improve monetary circulation and the returnability of the national currency and provision of timely payments for the population and enterprises, the government confirmed the forecast of cash turnover for the fourth quarter 1993 and gave recommendations on how to overcome the crisis.

The National Bank, ministries, state committees, administrative departments, and heads of local state administrations must regularly inform the government of the republic on the situation with cash.

The statement is signed by Prime Minister Chyngyshev.

Uzbekistan

Karimov Reviews Past Year's Economic Results

LD0812192193 Moscow INTERFAX in English 1609 GMT 8 Dec 93

[From the "Presidential Bulletin" feature]

[Text] Uzbekistan marks exactly one year since adopting a new constitution on Wednesday. Speaking at a celebrational rally in Tashkent on Tuesday, President Karimov assessed the country's economic performance over the passed year.

The president said that as many as 40 new laws had been adopted to stiffen Uzbek statehood. Uzbekistan has established diplomatic relations with more than 70 countries of the world with more than 40 states opening embassies and missions in Tashkent. Agreements, he reported, have also been signed on investment incentives and protection with 11 countries.

The country's volume of foreign trade runs at $1.3 billion this year. Uzbekistan has established economic contacts with companies from 50 countries and has carried out a number of large projects with the backing from international financiers and bankers. The European Bank for Reconstruction and Development opened a $160 [figure as received] credit line to develop the country's gold mining industry. Uzbekistan joined forces with 65 other states to launch a total of 900 joint ventures with one in three of them engaged in production for civilian needs. Their combined output runs at 100 billion rubles this year.

Karimov said that as a priority, the government policy was aimed at gradual denationalization and privatization. He spoke of as many as 20 privatization schemes now being implemented. A total of 41,500 state enterprises have been privatized with 22,000 of them turned into stock holding companies or transferred to their employees. Almost all of the local industry, retail trade, catering and services are now in private hands.

The president spoke of the first step made on the way of stabilizing the monetary system before the country shifts to its own currency unit. He dwelt in particular on the need for welfare benefits for the neediest following price liberalization. The government set the minimal monthly salary at 24,300 coupons (sums) with effect from December 1. The minimal pension runs at 26,325 coupons. The coupon was fixed at a one-to-one rate against the Russian ruble, Karimov said.

(INTERFAX Note: The press center of the Central Bank in a statement on Tuesday said the coupon was an interim currency designed to protect the home market against the intervention threatened by the circulation of old Russian banknotes. These will be replaced by a full-blown currency unit, the sum, though no word is given of when exactly. Central Bank President Faizulla Mullajanov told INTERFAX that the country's transition to the new currency would be entirely different from what had been done in next-door republics. There will be no exchange of one unit for the other, he said. Mullajanov says the depositors will be able to withdraw their sums and interest accrued from savings banks)

Karimov spoke of the production slump being halted. This year's industrial output grew by 6 percent in affinity to last year's figures. Oil output went up by 121 percent, with gas, consumer goods and farm production increasing by 104, 107 and 103 percent respectively.

Karimov says the country owes all of its achievements to its independence, internal peace and stability.

He described the country's constitution as the bulwark of a new life replacing the previous totalitarian system thrown into the dustbin of history.

On the occasion of the Constitution Day, Karimov declared an amnesty for convicted women and teenagers unless they committed grievous crimes, and to those sentenced for minor crimes.

The president received a string of congratulation messages from other leaders and heads of diplomatic missions in Tashkent as well as from Uzbek workers.

President Karimov Decrees Anniversary Amnesty

LD0912125393 Tashkent UZBEKISTAN APN in Russian 1059 GMT 9 Dec 93

[Text] [no dateline as received] A decree from President Islam Karimov has been published in Uzbekistan on an amnesty in connection with the anniversary of the republic's constitution. First to be freed from punishment will be convicted women and minors providing they did not commit serious crimes or crimes as part of organized criminal groups and people convicted for crimes of negligence for a term of up to five years. Criminal proceedings are being dropped against women and minors who have not committed serious crimes.

Armenia

Azerbaijan Reportedly Planning 'Large-Scale' Action

NC0912205693 Yerevan Radio Yerevan in Azeri 1430 GMT 9 Dec 93

[Excerpts] Dear listeners, we now report on the latest situation in the Nagorno-Karabakh Republic [NKR] and on the border between Armenia and Azerbaijan.

No large-scale combat operations have occurred on the NKR frontline for days. The confrontation has mainly been in the form of positional fighting. Azerbaijan's military units have been active along the entire frontline. They have fired on the Armenian defense positions in various areas with various kinds of arms. Azerbaijani units mainly fire from their military positions in Beynaganskiy Rayon and the areas they have occupied in Mardakertskiy Rayon.

Several observers believe Azerbaijan is preparing for a large-scale onslaught again. The NKR military intelligence units have gathered sufficient information to confirm Azerbaijan's military preparations.

Azerbaijan's military command headquarters is preparing to broaden the aggression against the NKR. It has acquired large quantities of military material and combat equipment from abroad. And Azerbaijan has invited many foreign military experts to consolidate its military preparations. It has also employed mercenaries mainly from Afghanistan and Pakistan. The neighboring republic has also moved to deploy reinforcements and many armored vehicles along the entire frontline. [passage omitted]

Obviously, Azerbaijan's leaders have concluded nothing from the outcome of the fighting in the past. Despite knowing that fighting a war is not the way to resolve the dispute, they continue to give priority to their political ambitions and ignore the people's interests. Consequently, the sons of that republic have been killed and the number of refugees has increased.

No serious incident has occurred on the NKR's frontlines in the past day. But the situation remains unstable. Azerbaijan's units have occasionally fired on the Armenian positions on various parts of the frontline. The Armenian side has not returned fire.

The situation on the border between Armenia and Azerbaijan remains relatively peaceful.

Karabakh Parliament Head on Support for Peace Solution

NC0912211793 Yerevan SNARK in English 1225 GMT 9 Dec 93

[Text] Stepanakert, December 9 (SNARK)—Denying the peaceful plan on the Karabakh conflict regulation suggested by the CSCE Azerbaijan is for military solution of the problem, Karen Baburyan, acting as a head of the Karabakh Parliament, told SNARK. The fact that the Azerbaijani authorities invite military specialists from different states, Azerbaijan is going on with the forces concentration at the front line intensifying the anti-Armenian attitude using mass media, especially TV prove the idea expressed by Mr. Baburyan.

Despite the non-constructive position taken by the official Baku, the Republic of Nagorno-Karabakh speaks only for peaceful regulation of the conflict.

Azerbaijan

Deputy Prime Minister, Finance Minister Dismissed

NC0912182493 Baku Radio Baku Network in Azeri 1700 GMT 9 Dec 93

[Text] With a decree signed by the president of the Azerbaijan Republic, Vakhid Akhmedov has been relieved of his post as deputy prime minister and Salekh Mamedov has been relieved of his post as finance minister due to deficiencies they have allowed in their work.

National Assembly Adopts Decision on Defense Law

NC0912203693 Baku Radio Baku Network in Azeri 1900 GMT 9 Dec 93

[Text] On the implementation of the Azerbaijan Republic Law on Defense:

The Azerbaijan Republic National Assembly adopted a decision on this topic. The decision says:

1. The Azerbaijan Republic Law on Defense comes into effect as soon as it is signed.

2. The Azerbaijan Republic Council of Ministers should draw up and submit to the Azerbaijan Republic president in two weeks the draft state programs envisaged by the Azerbaijan Republic Law on Defense.

3. A recommendation should be made to the Azerbaijan Republic's president to see to it that the said state programs are drawn up in an appropriate way to be approved in accordance with the laws.

4. All the relevant organizations and competent officials should fulfill the tasks arising from this law within a month.

[Signed] Rasul Guliyev, chairman of Azerbaijan Republic Supreme Soviet.
[Dated] Baku City, 26 November 1993

Censorship Seen as Prelude to Martial Law

MK0912130093 Moscow KOMMERSANT-DAILY in Russian 9 Dec 93 p 14

[Report by Dmitriy Kamyshev: "Military Censorship in Force in Azerbaijan. Press Minister Disagrees With Parliament Decision"]

[Text] As of yesterday, all the country's newspapers will undergo preliminary censorship in line with the decision of Azerbaijan's National Assembly. While the deputies have not completed discussion of the law "On Martial Law," which was only passed in first reading, the introduction of censorship can be regarded as the start of the practical implementation of this document.

The National Assembly decree points out that the decision to introduce military censorship was passed in connection with the fact that the press not infrequently divulges state and military secrets and propagandizes "defeatist sentiments." The Ministry of Press and Information has been granted powers to suspend those publications that carry such materials.

The very fact of curtailment of freedom of speech for the period when the state of emergency or martial law is in force does not in principle contradict international norms in the area of human rights, all the more so because Azerbaijan has for several years now been a country at war. Opposition spokesmen, however, fear that in practical terms this will result in placing tough restrictions on the activities of political parties (opposition parties first and foremost) and the introduction of political censorship.

There must be no agreement on this issue in the government, too. Press Minister Sabir Rustamkhanly, whose duty is to monitor the observance of the decree, has stated that this decision would "serve the interests of chiefs of the state apparatus who do not tolerate criticism aimed at them."

Leader of 15 Jul Failed Rebellion Detained

NC0912222293 Baku Radio Baku Network in Azeri 1900 GMT 9 Dec 93

[Statement issued by the Interior Ministry Press Service on 9 December—read by announcer]

[Text] Alikram Alekber ogly Gumbatov, a resident of Lenkoran, born in 1948, took over the Azerbaijani Army headquarters [words indistinct] on 15 July 1993, assisted by a group of armed men, and used the illegally formed armed forces under him [words indistinct] against the Azerbaijani people and the state organs [passage indistinct]. In view of these crimes, the military prosecutor at Lenkoran garrison instituted criminal charges against him in accordance with Paragraph 2 of Article 57-1, Paragraphs 4 and 6 of Article 94, Paragraph 1 of Article 103, and Paragraph 2 of Article 120 of the Azerbaijani Criminal Code.

Following an operation [words indistinct], Alikram Alekber ogly Gumbatov was detained by police in Lenkoran this morning and handed over to the investigation department of the Republic's prosecutor general. The investigation into the case is continuing.

France's Mitterrand Sends Note on Karabakh

NC0912210793 Baku Radio Baku International Service in Azeri 1300 GMT 9 Dec 93

[Text] President Mitterrand has replied to a letter President Geydar Aliyev conveyed to him through Foreign Minister Gasan Gasanov. He said France attaches importance to its relations with Azerbaijan and noted that he received Foreign Minister Gasan Gasanov and conveyed to him his anxiety over the Nagorno-Karabakh dispute. President Mitterrand said: France's stance on territorial integrity and the nonviolability of borders has often been clearly outlined, especially during the vote on UN Security Council Resolution 884. A peaceful solution must be found to the Nagorno-Karabakh crisis, which is a complex humanitarian and historical problem, within the framework of the CSCE Minsk conference. The UN Security Council has supported the Minsk Group's work. It urged all the sides to agree to uphold the new calendar of measures on 8 November. France highly regards Azerbaijan's [words indistinct].

Mitterrand also said that France supports Azerbaijan's people and stressed that his country will continue to help the refugees and make every effort so that they return quickly to their homes. He asserted: France sincerely hopes a peaceful solution will be found to the Nagorno-Karabakh problem. It is prepared to help Azerbaijan realize its modernization effort.

Mitterrand said he looked forward to meeting President Aliyev. The two will sign an agreement on the basis of which, he asserted, cooperation and bilateral relations will be improved.

Georgia

Shevardnadze Urges Restored Unified Power Grid

LD1012113993 Moscow Radio Rossii Network in Russian 0800 GMT 10 Dec 93

[Text] It is essential to restore the unified power grid of Russia, Azerbaijan, Armenia, and Georgia. That is the view of Eduard Shevardnadze, head of the Georgian state. In an interview with the SNARK agency, he declared that that was the only solution to the energy crisis in which Georgia found itself. In Eduard Shevardnadze's opinion, the unified power grid had to be reestablished at any price regardless of how relations developed between the countries as a result of interethnic conflicts.

Shevardnadze Heads Commission on Currency Resources

NC0912211893 Yerevan SNARK in English 1052 GMT 9 Dec 93

[Text] Tbilisi, December 9 (SNARK)—Eduard Shevardnadze, the head of Georgia, has issued a resolution "on forming and usage of currency resources". Linked to that fact, there was established a special commission, which is headed by Shevardnadze himself.

Nadareishvili: Abkhazia Violates Geneva Accord

LD0912142593 Moscow ITAR-TASS World Service in Russian 1337 GMT 9 Dec 93

[By GIA-TASS correspondent]

[Text] Tbilisi, 9 Dec—"On 8 December 1993, Abkhaz separatists violated the Geneva memorandum, launching combat operations in Galskiy rayon and in Kodori gorge," says a statement made today by Tamaz Nadareishvili, the

Georgian deputy prime minister. According to the statement, "the enemy subjected densely populated Georgian villages to artillery shelling, and there are casualties among the peaceful residents. This action by Abkhazian separatists demonstrates once again their reluctance to settle the conflict by peaceful means. Literally the moment after the signing of the memorandum, the separatists have violated its main points—those on not using military force and on repatriating refugees, in addition to the aforementioned military actions."

Kervalishvili Addresses Parliament on Energy Crisis

LD0912123493 Tbilisi Radio Tbilisi Network in Georgian 0900 GMT 9 Dec 93

[Excerpts] [Announcer] Dear listeners, as we have said, the session of the Georgian parliament is in progress in the parliament building. Issues related to the energy crisis are being discussed. A speech was made by Georgian Deputy Prime Minister Zurab Kervalishvili. Here is an excerpt from this speech.

[Begin Kervalishvili recording] For today, we have an acute shortage of electric power. We are able to meet only 35 percent of the demand because this is the amount of power we produce. The potential exists to produce more power, but this is limited by a lack of basic raw materials. The most we can produce is up to 20 million kW-hours a day. [passage omitted]

I have told you that to have at least 36 million kW-hours of electric power it is necessary to receive at least 17 million cubic meters per day, which means 76 billion cubic meters per year. For petroleum products, namely fuel oil, we need at least 150,000 tonnes, because we have already overcome a month and a half of these hardships.

Action on both issues are starting to take place. Today the head of our cabinet of ministers, Mr. Otar Patsatsia, accompanied by heads of departments, is in Moscow to make a record of this and make it a law that Turkmenistan and Russia will supply natural gas at the amount of 16 to 17 million cubic meters per day The first train-load of 40,000 tonnes of fuel oil has already been sent from Ufa, for which resources have been allotted. I believe 150 billion tonnes of fuel oil will be secured until the end of the season. [passage omitted]

You obviously know that Russia granted us a credit of 10 billion rubles. Of this 10 billion, 8.9 billion goes fully for fuel and namely, fuel oil. You also know that Russia consented to provide us with electric power. We will be getting 200 megawatts either from Derbent [Dagestan] or, as I have said through Kavkasioni [relay station in Stavropolskiy Kray that was blown up and is now being repaired]. [passage omitted]

I would like to emphasize that unless we start running our industry, the existence of our republic will be impossible. When speaking of industry, I mean the Rustavi region with its metallurgy and chemical industry, the ferro-alloy plant [in Zestaponi, western Georgia], Chiatura [manganese mining], Tkibuli [coal mining], and Kutaisi vehicle-assembly, and other factories. In addition, there is Poti and Batumi [seaports] and limitations for branches of economy that we have planned. We have decided that a number of regions, namely Eastern Georgia... [pauses] provinces of Kartli and Imereti and a number of rayons will get power eight to 12 hours a day. We have agreed that power will be supplied from 2300 until 0700. The power to places of vital importance has been stipulated. These are flour mills, bakeries, hospitals, and others. [passage omitted] [end recording]

Sigua Says National Bank Ruining Economy

LD0912172493 Tbilisi IBERIA in Georgian 1545 GMT 9 Dec 93

[Text] Tbilisi, 9 Dec—An IBERIA correspondent has learned that former Georgian Prime Minister Tengiz Sigua's speech has made the parliament session today sensational. Sigua said that Georgia has been virtually sold out through the criminal policy carried out by the Georgian National Bank and its protectors.

Between 70 to 100 million U.S. dollars have been stolen. These sums have been secured at various European banks. More than half of the credits issued by the bank will never return to the state. The same policy has resulted in the destruction of the coupon, whose devaluation was caused by the uncontrollable issue of credits by the National Bank and by non-commodity transactions at the Caucasian exchange.

For instance, the "Trialeti" firm, which is backed by a certain member of parliament, withdrew 2 billion rubles from the bank with the aim of purchasing products that would later be exchanged in Russia for foodstuffs required by Georgia. However, a sum of 4.5 million U.S. dollars obtained was deposited at a Warsaw bank. An investigation was instituted in this connection. Interpol traced the criminals and the president of the firm was just about to be arrested in Poland when a powerful parliamentary lobby started up in Tbilisi, and law-enforcement bodies were bound hand and foot.

Sigua said that he knew several MPs who were engaged in business like that. An issue was raised immediately to hear a report of the commission entitled to inspect the activities of the Georgian National Bank. Temur Basilia, chairman of the commission, said that the report was ready, and it would be presented to the parliament in the very near future and would bring many things to light.

Estonia

Parliament To Debate Israeli Arms Deal

WS0912143793 Tallinn ETA NEWS RELEASE in English 1734 GMT 8 Dec 93

[Text] Tallinn, December 8—Estonia's Riigikogu [parliament] at its session on Wednesday decided to discuss the law on ratifying the controversial Estonian-Israeli arms deal at its closed session.

The motion presented by the ruling Fatherland Party was passed with 68 votes in the affirmative, nine against and five abstentions.

Peeter Lorents, deputy chairman of the oppositionist Coalition Party parliamentary faction presented a motion to suspend debate on the law as its English-language text differed from its Estonian-language text. The motion will be discussed at Riigikogu's closed session.

The arms deal between Estonia's government and TAAS Israel Industries Ltd was concluded on January 7 this year and was followed by accusations that it cost the country too much and should have been ratified by the parliament.

Delegation Returns From Baltic Anticrime Talks

LD0912180893 Tallinn Radio Tallinn Network in Estonian 1500 GMT 9 Dec 93

[Text] The Estonian delegation of Gero Kartau, the Interior Ministry's chancellor; Igor Amann, the Police Department's director general; Tarmo Kouts, the Border Guard Department's director general; and Rein Talvik, the Customs Department's director general returned today from a joint Baltic Sea countries' conference on the fight against organized crime. Gero Kartau provided a review of events at the conference.

The conference ended with the adoption of a memorandum which decided that two working groups should be set up. Sweden will be in charge of the working group on defining specific forms of cooperation. Poland was appointed to head the group which will be mapping organized crime. Gero Kartau told ETA that specific assistance can be expected once the Swedish group drafts a plan for specific aid proposals to the Baltic countries.

The conference determined ways and procedures at different levels for prompt information exchanges. According to Kartau it is of great importance that the conference concluded that organized crime does not recognize national nor ethnic borders. Estonia has become a transit center for both drug trafficking and stolen car sales because of its geographical position.

Lithuania

Paper Publishes Part B of '94 Economic Forecast

WS0912123093 Vilnius TIESA in Lithuanian 19 Nov 93 No. 225 pp 6, 7

["Text" of the "Economic Forecast for the Republic of Lithuania in 1994"]

[Excerpts] **B. Aggregate Supply**

The scope of goods and services is predicted to account for 4.3 billion litai in 1994 (at comparative 1992 prices). This will exceed the level of 1993 by 2.1 percent.

The current low level of solvent demand does not create any conditions for a more rapid growth of consumer supply.

Industry

Although industrial production has stabilized over the last few months, its capacities have been exploited insufficiently. One-fourth of all enterprises work at less than 30 percent of their full capacity. The average utilization of industrial capacities accounts for only 49 percent. The amount of production is restricted by the unsatisfactory financial situation of enterprises, long-standing mutual debt problems, and the worsening conditions for exports due to an artificially high exchange rate of the national currency.

Estimates submitted by the ministries predict a clear growth in industrial production (the Industry and Trade Ministry—20 percent, the Energy Ministry—42 percent). Due to comparatively low levels of accumulation and solvent demand, industrial production is expected to increase by 5 percent, which will account only for about 40 percent of the 1991 level.

A positive tendency became evident in the beginning of 1993—the increasing share of exports to foreign countries (excluding the CIS) in the total trade turnover climbed to 18-19 percent. Over the recent months, however, the conditions for exports have worsened due to a relatively low U.S. dollar exchange rate against the litas. In August, exports accounted only for 11.1 percent of the total turnover of industrial products. According to the forecast, the share of exports should increase to 20 percent in 1994. Certainly, favorable conditions must be created for this.

Alongside the creation of conditions for the growth of economic activities, it is necessary to resolve the old problems. These are, first of all, the normal functioning of the system of settlements, the removal of debts among enterprises, the upgrading of the credit system, and the guaranteed normative amount of working capital. Most of these issues are related to the improvement of the banking system.

The progress of economic reform will inevitably result in cases of bankruptcy. A much broader market of labor and capital will emerge, which will create conditions for structural changes in industry. The following are the apparent trends in industrial restructuring and the projected indicators for separate industries.

The electronic industry is characterized by a considerably high technological level, a developed network of research institutions, and highly skilled personnel. However, its products are not competitive on the Western market according to their technical and economic indicators. The outcome is a search for partners with the aim of achieving the world level. [passage omitted]

The food industry, which actually processes local resources, was the dominant industry according to the amount of products sold in 1993 (27 percent). Therefore, the drop in industrial production in 1993 (by 22 percent in comparison with 1992) will have a great effect on this years' results. It is estimated that in 1994 the volume of the food industry will not yet reach the 1992 level. Food exports will account for about 20 percent of the total production. Imports of certain foods will drop considerably. [passage omitted]

The system of fuel and energy is of paramount importance for the functioning of the national economy. Thus far, local fuel reserves accounted only for 3 percent of the general fuel balance. This share has slightly increased recently. However, it does not exceed a marginal 5 percent.

The domestic consumption of energy has dropped by 40 percent over the last three years. However, it does not yet correspond to the decrease of the average product (about 50 percent). This demonstrates that, despite a considerably swift growth of prices for energy resources, their consumption is not yet economical.

Lithuania's dependence on monopolistic oil supplies from the Russian Federation will continue in 1994. The Mazeikiai "Nafta" refinery is expected to process 6 million tonnes of oil (1.9 million tonnes more than in 1993) next year. This can be achieved only in cooperation with the St. Petersburg "Lukoil" company and other Russian firms.

In 1994, Lithuania's economy will require 3 billion cubic meters of natural gas, 0.8 million tonnes of coal, and 1,630 nuclear fuel cassettes. This approximates the 1993 level of consumption. [passage omitted]

Agriculture

Important structural changes have occurred in Lithuanian agriculture over recent years. The number of farmers and the people who work their personal plots of land (from two to three hectares) is increasing. It is estimated that there will be 115,000 farmers working 870,000 hectares of land (26 percent of the total land reserve) as of 1 January 1994. Moreover, the area of personal land plots will amount to 880,000 hectares. [passage omitted]

No more distinct increase in farm yield is forecasted for 1994, because soils receive less mineral fertilizers due to high prices for material and energy resources, and the protection of plants is insufficient. Moreover, the falling demand for farm produce both on the domestic and foreign markets forces farmers to reduce the area of certain crops (grain, potatoes, vegetables).

The sale of meat and dairy products to the state is expected to rise slightly next year. The number of domestic animals should stabilize, and that of cattle should even increase a little. However, the difficulties in selling the agricultural produce and the disarray in settlements hamper the development of farm production. A distinct discrepancy between the prices for material and energy resources used in agriculture and procurement prices force the producers to increase their costs. Due to such high prices, foreign countries are unwilling to buy the aforementioned products, while Lithuanian inhabitants buy only their minimum amount. Thus, a relative excess of farm produce emerges, although actually food products are insufficient. It is very important to study and establish the equivalence between the prices for material and energy resources and those for agricultural produce. To ensure the minimum income to producers, it would be expedient to regulate prices of certain food products for some time. Another important factor hampering the process of selling farm produce is a limited and delayed extension of preferential credits to producers and processing enterprises.

The future development of agriculture will largely depend on the resolution of these problems. [passage omitted]

Vilnius To Form Group To Negotiate With CIS

LD0912181593 Vilnius Radio Vilnius Network in Lithuanian 1500 GMT 9 Dec 93

[Text] The Lithuanian president signed a decree today on the formation of a working group for negotiations with the CIS countries.

In this decree the president instructs the Lithuanian Government to form a working group for negotiations with the CIS countries. Virgilijus Bulovas, the Lithuanian ambassador extraordinary and plenipotentiary and Seimas member, was appointed chairman of the group.

In the decree, the Lithuanian Government is instructed to approve the regulations of the group's work by 25 December and, on the recommendation of the minister of foreign affairs, appoint members of the group. The working group will be attached to the Lithuanian Ministry of Foreign Affairs and the head of the group will inform the republic's president about its work.

Seimas Adopts Law on Declaration of Property

LD1012103393 Vilnius Radio Vilnius International Service in Lithuanian 2200 GMT 9 Dec 93

[Text] The Lithuanian Seimas passed a law on 9 December on the declaration of property. According to this document, all property acquired after 11 March 1990 and costing not less than 15,000 litas must be declared. The owner of the property or person claiming to be the owner will have to indicate income used to buy property.

Central Bank Reserves Estimated at $308.6 Million

WS1012110693 Vilnius ELTA in Lithuanian 1244 GMT 8 Dec 93

[Text] The official Lithuanian Bank reserves in early October were $308.60 million. In comparison with the beginning of this year and 1 July, they increased by $194.60 million (in January they accounted for $114 million) and 69.5 million, respectively. As of 1 October, $61 million accounted for the official gold reserves out of the total sum (they did not change in comparison with the beginning of 1993—one gold ounce was estimated at $333).

Inflation Rate Drops to 6.8 Percent in Nov

WS1012112293 Tallinn BNS in English 1609 GMT 9 Dec 93

[Text] Vilnius, Dec 09, BNS—The overall rate of inflation in Lithuania in November was 6.8 percent, the Statistics Department said.

Inflation slightly dropped compared to 7.3 percent in October. The rate of inflation ran at 4.2 percent in September and hit the record low of 0.9 percent in August.